

FINANCIALTIMES

Tuesday March 3 1981





London 629 8151 : Manchester 228 6752 SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 30p: MALTA 250 CONTINENTAL SELLING PRICES: AUSTRIA Schi 15; BELGIUM Fr 28; DENMARK K; 6.00; FRANCE Fr 4.50; GERMANY DM 2.0; ITALY L 800; NETHERLANDS FI 2.0; NORWAY K; 6.00;

S. African Gold falls \$24; delegates **Equities** barred off 5.2

The South African delegation to
• EQUITIES drifted in anticitie UN tried to reclaim its seats pation of next week's Budget in the general assembly for the debate on Namibia.

Black African delegates challenged their credentials, and the assembly voted 96 to 19 to bar South Africa again.

The delegates were barred in 1974 and 1979 on the grounds that they were not represenative, sent by a Government elected only by whites.

Fire probe demo

Some 10,000 demonstrators marched through London in protest at police handling of investigation into a New Cross fire that killed 13 and injured

'Water pay 'no'

The first groups of water industry manual workers to vote on a 12.3 per cent pay offer rejected it against their unions' recommendation. Back Page

Teachers' deal

Representatives of 500,000 teachers in England and Wales accepted a 7.5 per cent wage offer. Earlier story, Page 9

Hijack to Kabul

The 148 passengers and crew on a Pakistani airliner hijacked to Kabul were in the air terminal last night. The hijacker said he was a follower of executed Prime Minister Bhutto.

Giscard to stand

President Valery Giscard d'Estaing announced he would stand for re-election in April. Back Page

Quake rescue

A couple were rescued after being trapped for five days in the ruins of their home near Corinth after last week's

Death 'suspicion'

Leeds nurse Helen Smith's death in Saudi Arabia in 1979 to a pathologist commissioned by her father.

S. Korea amnesty South Korean President Chun

Doo-Rwan announced an amnesty for 5,221 prisoners to take effect from his inaugura-

Uruguay plea

World jurists and human rights groups meeting in Geneva urged the UN to investigate allegations of human rights violations in Uruguay.

Sober outlook

The Polish Government raised vodka prices sobriety." "to promote

Polish inspiration

An underground union after the Polish model is being organised in the USSR, exiled dissident Alexander Ginsburg

N-plant bomb

A bomb was defused at the West Berlin factory of a nuclear power plant constructor, following anti-nuclear protests at

Fat cats

The UK spent nearly £500m on petfoods in 1980, up almost £60m on 1979, in the largest petfood market in Europe.

Briefly . . .

Estate agents invited a thief who stole "for sale" signs to take a job putting them up

Flying instructor is to be prosecuted for towing an 80 ft birthday greeting to his wife

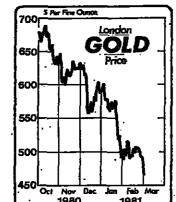
BUSINESS

No. 28,410

The FT 30-share index closed 5.2 down at 501.4. The Gold Mines index fell 27.6 to 309.9. reflecting bullion's fall. Page 32

• GILTS eased. The Government Securities index lost 0.15 to 68.97. Page 32

• GOLD fell \$24 in London to \$466.5 on the dollar's firmer



trend and interest rates continued rise. Page 29

STERLING finished at \$2.1805, a fall of 2.45 cents from Friday. Its trade-weighted index was 98.7 (98.9). Page 29

 DOLLAR improved on higher Eurodollar rates, closing at DM 2.1525 (DM 2.1325), Sw Fr 1.9860 (SwFr 1.9650) and Y211 (Y209.75). Its index rose to 101.4 (100.6). Page 29

• WALL STREET was 0.35 up at 974.93 near the close. Page 30

DUTCH CENTRAL BANK raised its discount rate from 8 to 9 per cent. Page 29 • EEC COMMISSION is in-

capable of policing the steel quota regime, industry ministers will be told today. Page 2 DATAPOST, the Post Office's quick delivery service for businesses, will be extended to

investment - £265,000 - is in Positron Computers near St. Helens. Page 6

• BRITISH RAIL'S investment ceiling was lifted by the Government. Page 8

• FRANCE would back a new Airbus Industrie aircraft if market studies justified it, the Transport Minister said. Page 5

• RENAULT, the State-owned French motor group, will transfer production of its R14 model to Belgium. Page 27

• TALBOT UK is confident of winning a £750m contract to supply cars to Iran for the next five years. Page 6

● UK EXPORTS to Arab countries increased 15 per cent to £3.8bn last year, but imports rose 38 per cent to £4.3bn. Page

● U.S. EXPORTS to the Soviet Union fell 58 per cent by value last year to \$1.5bn (£852m) after trade sanctions were imposed. Page 5

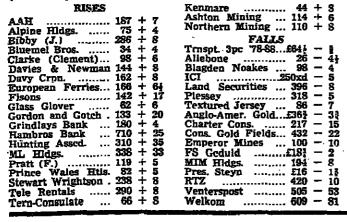
• PTALIAN-AMERICAN consortium won a \$320m (£139m) contract to supply Romania with nuclear power stations. Page 5

 STANDARD OIL of Indiana is closing a crude oil refinery because of the slump in U.S. petroleum products demand.

 WILLIAM PRESS and Sons mechanical engineering con-tractor, is creating a holding company to separate manage-ment and trading activities, Page 23

BLAGDEN & NOAKES Holdings), steel drum manufacturers, reports taxable profits down from £5.65m to £2.59m for the year to December 28, 1980. Page 22

CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated)



Labour's breakaway MPs set Easter date for new party

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

Labour Party on committing of British politics." themselves to forming a political party by Easter. The move could be a watershed in British politics, and means that the splits which successive Labour leader have fought to

The new party will use the name "Social Democrats" and will try to negotiate some form of loose alliance with the Liberals, in which both parties retain their separate identity.
The four founders of the

prevent have finally material-

for Social Democracy, Mrs. Shirley Williams, Mr. Roy Jenkins, Mr. William Rodgers and Dr. David Owen, will proto take place between the Liberals and the Social Democrats at Westminster today on

Liberal leader, whose co-term, it could strengthen the operation will be essential to arm of Labour moderates like the Social Democrats' hopes of Mr. Roy Hattersley, committed establishing themselves as a to fighting extremists from major force, welcomed their within the Labour Party.

LABOUR'S social democrats resignation from the Labour yesterday broke their last Party unreservedly "as the remaining links with the first step towards a realignment

Yesterday's announcement from the Council for Social Democracy was signed by the 12 MPs who support the Council at Westminster together with Mr. Roy Jenkins and Mrs. Shirley Williams. It represents the biggest defection

Editorial comment, Page 20 Labour councillors joint fight against party extremists, Page 8

Labour incomes policy suggested, Back Page

from a political party since The announcement caused a vide the movement with a major stir at Westminster. The collective leadership. Talks are party could seriously damage party could seriously damage Labour if it maintains anything like its present momentum. It could also take votes from the how best to co-operate in Tories and add to the pressures
Parliament. on Mrs. Thatcher to temper her Yesterday, Mr. David Steel, policies. Ironically, in the short

The MPs' resignation was followed by an announcement from the Lords that nine Labour peers were also resigning the Labour whip. Among them were two former Labour-Cabinet Ministers—Lord Diamond and Lord Aylestone. Another ten peers, who are now sitting on the cross benches, will join the Social Democratic Party when

With 12 members at Westminster the Social Democrats will be the third largest group in the Commons. But, it was clear from Dr. Owen yesterday that he does not see them as just another minority party. He described their emergence as a political earthquake.

It was something unique" in British politics. The group at Westminster was far more significant than just 12 MPs it represented a broadlybased movement in the country,

said Dr. Owen. The Social Democrats seem reluctant to sit as a group in the Commons at this stage. But they will act as a party in other ways. In their first action as a separate group yesterday they tabled an amendment to today's

Merger of ICI divisions angers trade unions

BY SUE CAMERON, CHEMICALS CORRESPONDENT

largest divisions, plastics and petrochemicals, at the start of next month because they are losing morey. The move expected to lead to axeing of at least 2,000 jobs, provoked a furious reaction yesterday from trade union leaders.

Last week ICI, which is ing company, announced a 54 per cent drop in profits for 1980, and revealed that the plastics and petrochemicals divisions made joint trading losses

Both divisions have been particularly hard hit by the recession and by overcapacity in ICI said yesterday that the

planned merger would mean "major cost cutting" and warned that jobs would be lost from divisional board level downwards." The company said it was "too

TRIES is to merge two of its 20,000 jobs in the plastics and surgery." ICI "just wanted to largest divisions, plastics and petrochemicals sectors would be show the works that it was doing

Consultations would be held with employees. It is expected that white-collar jobs, with 6,000 monthly-paid staff, will be the most seriously affected. The merger is intended to duplication in marketing, ad-Britain's biggest manufactur- ministration, distribution and other services. Some offices are expected to

close completely. Plastics Welwyn and Wilton were in contact through daily video con-Welwyn Garden City, Herts, while petrochemicals is at Wilton, on Teesside. admitted that some "relocation" was likely.

The merger will be discussed at a meeting tomorrow between board members and union leaders. Last night Mr. Roger Lyons, national chemicals officer of the Association of Scientific, Technical and Administrative Staff, attacked integration of the

IMPERIAL CHEMICAL INDUS- early to say" how many of the two divisions as "mere cosmetic something."

Air. Lyons said that only

eight weeks ago IGI manage-ment had assured him that the group's plastics and petro chemicals divisions were already fully integrated. "I was assured there was no

overlap at all in the marketing and other services of petrochemicals and plastics divisions I was told that key personnel in "Sectors such as marketing

are the last thing we want to cut. The marketing of plasics materials in the UK was one area where companies like ICI were heavily criticised in a report from the National Economie Development Office petrochemicals sector working party.

Continued on Back Page

3 mth EURO-CURRENCY INTEREST RATES

£ at its lowest for 11 months

By Peter Riddell, iomics Correspondent

STERLING fell sharply yesterday against the dollar to its lowest level for 11 months in response to the widening gap between UK and U.S. interest rates.

The pound touched \$2,1630 in early Far East trading before recovering to close in London at \$2.1805, a fall of 2.45 cents compared with Fri-day's close. This represents a fall of 23 cents in just over a

Sterling was also slightly weaker against the Deutsche Mark and the pound's tradeweighted index, measuring its average value against other currencies, dropped 0.2 points to 98.7 after a morning low

foreign exchange market is nervous at present with sharp movements in currencies reflecting interest

rate changes.
Sterling interest rates have aiready failen sharply however, and London money market rates are consistent with a MLR of between 12 and 124 per cent, against the present 14 per cent. Moreaver, Euro-sterling in

terest rates have fallen slightly and been left behind not only

by continued high Eurodol-lar rates but also by the sharp rise in other-Euro-currency rates (notably D-mark and French franc rates).
The scale of the recent fall in sterling — a drop of 51 per cent in the trade-weighted index in just over a formight-

may affect the scale of the expected cut in MLR in the Budget. Lex, Back Page

\$2,2000-2020| \$2,2270-2290 -0,50-0,57 pm. 0,33-0,40 pm. |2,10-2,20 pm. 2,15-2,25 pm. |8,00-8,20 pm. 8,00-8,20 pm.

Public spending cut not expected to be achieved

BY PETER REDDELL, ECONOMICS CORRESPONDENT

This is mainly because of the

impact of the deeper than expected recession and the recent help to state owned industries. The Public Expenditure White Paper, due to be pub-lished a week today on Budget day, will show that the volume of spending in 1981-82 will be roughly the same as expected in the current financial year.

This contrasts with the aim

current financial year. . . . But spending on unemploy-ment-benefits looks likely to be higher than expected and there have been sizeable commitments to BL. British Steel and to the

National Coal Board, There is also the problem of substantial overspending on the defence budget and the question of how much will be clawed back in 1931-82.

for a steadily declining path of expenditure, especially after the overspending this year.
In November the Treasury expected the volume of spending in 1980-81 to be about if per

THE GOVERNMENT'S aim of But the outcome could turn out cutting the volume of public to be even slightly higher. spending in the 1981-82 Consequently, if little change financial year is not expected to is assumed in the coming financial year; spending could financial year; spending could be 24 per cent higher than proposed for 1981-82 in the White Paper. This is equivalent to £24on at constant 1980 survey

The rise in spending and not least the recent concessions to the miners highlight the severe limits on the Chancellor's free-dom of manoeuvre in the Budget and explains why the personal tax burden is certain

Problems over public expen-diture—particularly the ten-dency for spending in money or of Sir Geoffrey Howe, the diture—particularly the ten-Chancellor, last November that dency for spending in money or the planned volume of spend-ing in 1981-82 should be about than the general rate of infla-tion—has led to a general review of the system of control. The likely result is that plan-ning for the year shead may be in cash terms rather than in constant survey prices (volume

The present practice makes no assumptions about future inflation and changes in the rela-tive cost of public services. The volume plans are only turned ack in 1981-82. into money figures in the cash The failure to cut spending limits just before the start of a is a major blow to hopes in the financial year.

medium term financial strategy. The change would involve

taking a view of the tikely rate of inflation 18 months to two years ahead and building that into Whitehall plans and controls. This it is hoped, would limit the tendency for the cost of public services to rise faster cent higher than proposed in of public services to ri the March, 1980, White Paper, than prices generally.

EEC Commission moves to curb steel output

BY GILES MERRITT IN BRUSSELS

threat of fines, designed to Paris Treaty.
reinforce the sagging effective.
The Minister ness of the EEC's compulsory curbs on steel production will be outlined at a special Council of Ministers meeting in Brussels Faced with a renewed price

war between producers of light sections and coils, and alleged production curbs of the crisis breaches of output quotas by regime that began on October 1 several major steelmakers, the industry that it will use special powers under the European Coal and Steel Community's Treaty of Paris to prevent pricecutting

producers have been told that to restore market discipline, the Commission will employ the fines procedure

NEW MEASURES including a included in Article 60 of the The Ministers are expected to

> minimum prices to be imposed for steel in a "manifest crisis." The effect would be to reinforce with price controls the

touch on powers provided by

Article 61 which allows

Today's meeting is due to consider extending the present regime past its June 30 limit—a move urged by Britain despite strong West German reserva-

Neepsend to close mills. Back Page KEC steel's coil tighten, Page 2

Fisons reports 'appalling' loss

chemicals group, had a net loss of £16.827m last year compared with net profits of £12.124m in 1979. Yesterday it described its results at "appalling."

The company is cutting the dividend for the second half of 1980 from 9.555p to 3.1p. The total dividend for the year will be 10p compared with 16.45p in 1979. The news came only four days after Imperial Chemical Indus-tries announced a 54 per cent

drop in pre-tax profits and a cut in its dividend. Some City analysts had expected Fisons not to pay a final dividend as a result of ICI's decision and its own severe difficulties with its pharmaceuticals and fertiliser divisions The announcement yesterday that the dividend was merely to be cut sent Fisons' shares up 17p to close at 142p.

Fisons' figures revealed a serious collapse in profits. Pre-tax profits fell by 78 per cent from £17.341m in 1979 to £3.833m last year. During the same period its finance charges saved by 93 per cent from soared by 93 per cent from

FISONS, the troubled UK-based £6.513m in 1979 to £12.556m in Proxicromil, brand name of the

The group made a loss of £1.43m after tax and minority interests. Exchange differences cost it a further £3.528m Fisons made provision for £11.689m for extraordinary items including redundancy payments to employees and the cost of closing

four fertiliser plants. Earlier this year Fisons announced a thorough reorgani-sation of its fertiliser division including the axing of 1100 jobs -about 10 per cent of its UK workforce. A further 300 jobs are being cut from its scientific

equipment division. Profits fell in all five of Fisons' divisions last year but the drop was most marked in fertilisers, which made a loss of £1.115m against a profit of £2.905m in 1979, and in scientific equipment where profits were more than halved to £2.003m.

Pharmaceuticals profits held up well at £12.239m compared with £12.290m in 1979. But earlier this year Fisons announced it was abandoning

new anti-allergy drug which it loping. The drug was found to

be unsafe. Fisons yesterday blamed much of its drop in profits on the deep recession in the UK and high UK interest rates. The group said it had suffered because trade distributors failed to stock up in the autumn of last year with agro-chemicals, fertilisers and horticultural products—as a result of the economic downturn. Fisons expect sales to pick up this spring but the drop in pre-dicted seasonal demand in 1980

has increased the burden of finance charges. The group admitted that its borrowings were "too high." But it stressed that "there are things we can do to help ourselves and we hope we are doing them as quickly as pos-sible. It admitted it was "vulnerable" to takeover bids but added that it hoped to be able to climb out of its difficul-

> Details, Page 22 Lex, Back Page

ties alone.

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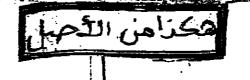
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COMMISSION LOSING BATTLE TO KEEP QUOTA SYSTEM ALIVE

EEC steel's coils tighten around Brussels

BY GILES MERRITT IN BRUSSELS

IN A paradox that neatly sums up the irreconcilable pressures being exerted in the EEC steel crisis, the European Commission will tell member governments today that it is tightening the mandatory steel production curbs regime while preparing to abandon it as unwork-

Industry Ministers attending a special council meeting on steel will be told that leading European steelmakers have just been threatened with fines under Article 60 of the Euro-pean Coal and Steel Community's Treaty of Paris unless they halt the prices war in coils, merchant bars and concrete reinforcing bars. The Commission's aim is to stop the rot of disobedience to the compulsory

However, the Ministers will also be told that Brussels sees no future in maintaining the special production - cutting powers of the treaty's Article 58 that, since October, have made the Commission the overlord of a "manifest crisis" quota system controlling the output of 350 European steelmakers. The regime is due to expire on June 30, and Viscount Etienne Davignon, the EEC Industry Commissioner, will explain today that, quite apart from the political disagreements between member governments, the Commission finds itself physically incapable of policing the quotas.

Brussels is locked in argument with up to a score of big EEC steel groups over whether they exceeded their quotas during the last quarter of 1980, and it has become clear that the

Davignon's two-ringed circus

been a fitting image for Viscount Etienne Davignon for some time. For the past four years Belgium's energetic EEC Commissioner responsible for industrial affairs has cracked his whip and, with varying degrees of skill, industries such as steel have jumped through hoops or cantered round in circles, writes Giles Merritt.

But, today, the EEC Council of Ministers meets here for special talks on steel and energy, and this time things risk going awry in the Brussels Big Top. The tigers in a number of European member governments are out of their cages and the ringmaster must also show some smart footwork if he is not to be trampled on by the fright-

system set-up in Luxembourg has choked on too rich a diet of information. Some reports say it was sabotaged by wrong

codings from steelmakers. Failure to catch promptly those who break the quotas has jarred the regime's credibility, but the harder knock has come from the fresh outbreak of price-cutting in the two most volatile sectors of the steel business. Since the beginning of this year, prices in the regime's and more determined restruc-Category IV light sections have turing.

the European steel industry. That Viscount Davignon will be having to cope with a two-ringed circus of both Industry and Evergy Ministers is entirely of his own choosing. When M. Gaston Thorn, the incoming president of the European Commission, completed the shareout of portfolios to his 13 Commission colleagues two months ago, Viscount Davignon had contrived to add the previously separate energy

The move has turned him into a super-Commissiouer, an acknowledged "baron" of the Borlaymont. The ambitious 48-year-old former diplomat is already applying his "can do" approach to the

as the weakness of demand has

outweighed production cuts. The

coils and sheet steels of Cate-

gory I, which at first had begun

to firm in price, are back in the doldrums for the same reason.

Today's meeting has been called to review EEC policy in

the short- and medium-terms,

which means it should examine

the renewal of the Article 58

special powers as well as a clampdown on state aids to steel

job to his existing industrial

energy issue with a paper for today's Council that appears skilfully to edge member states along a logical route to stronger Community powers over their energy policies. As a former chief of the Parlsbased International Energy Agency, Viscount Davignon has clearly forgotten little about closing off escape hatches.

But it is the crisis in steel that is certain to give him a much rougher ride. Italian disregard for the customs union rules on steel, Bonn's growing impatience with the present compulsory production cuts regime and the industry's inability to strike a voluntary agreement while lapsing back into price cutting could turn the steel circus into a charade.

A number of EEC governments, notably the British, French, and West German, have been pressing that this crisis meeting should yield clear deci-

sions amounting to a new steel strategy. Viscount Davignon has been stressing that it is still too early for that. Instead, he has will have been reduced to just said, "precise guidelines" that 200.8m tonnes on present would lay the groundwork for trends. policy-making talks in late spring would be more realistic. that, by then, the Community's

voluntary steel industry pact after five months of fruitless negotiation—the EEC is unable either to advance or retreat. London and Bonn disagree over whether it should be extended; West German producers strongly resent it; while the Commission finds it unworkable but has no viable alternative.

The only suggestion that Viscount Davignon is expected to make on the short-term question is that the search for a voluntary anti-crisis production and prices agreement should be narrowed to dealings with those steelmakers capable of agreement, leaving the rest to be tackled piecemeal.

The hope is that the meeting. will make more headway on the longer term issues of aid and restructuring, with member governments endorsing recent Commission papers calling for a determinedly tough cut in state aids unconnected with restructuring, more steel mergers and accelerated closures perhaps encouraged by a special financial premium.

It would be a vital step forward for, since 1974, capacity in use in the EEC steel industry has slipped from 80 per cent to 70 per cent last year and 55 per cent now. The Commission's most recent calculations show that, by 1983, available capacity

Put another way, this means His caution partly inflects the steel restructuring drive will fact that on the curbs regime have lopped exactly 1m tonnes given the absence of any off the total.

Industry attacked over poor Soviet agricultural output

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

and fertiliser producers came in for strong criticism from Mr. Valentin Mesyats, the Soviet Agriculture Minister, during hisspeech to the 26th Communist Party Congress. Fulfillment of the party's ambitious programme to increase meat, grain and other food products depends on how quickly the Ministry for Agricultural Machinery and other machinebuilding industries reconstruct and redevelop their production

capacity," he said. Mr. Mesyats revealed also that, despite major investment in fertiliser production, about half the Soviet Union's grain producing areas still receive no mineral fertilisers.

This attempt to shift the blame for poor agricultural performance on to industry reflects the perplexity of the Soviet leadership at the consistent failure to fulfil plan targets. This is despite the fact that 27 per cent of all investment has been allegated to the has been allocated to the agricultural sector over the last two Five Year Plans. A similiar proportion is allocated to agri-culture in the current plan which calls for an annual 3m ton increase in meat produc-tion to 18.2m tons.

A sharp rise in average grain yields to between 238m tons and 243m tons annually is also called for. This compares with the 205m tons actually produced

SOVIET agricultural machinery on average over the past five years when the target was over. 230m tons.

Mr. Mesyats also hinted at the growing problem of soil erosion which now faces large parts of the virgin lands and other grain growing areas where soils have deteriorated through insufficient fertilisers and bad farming methods. He called for increased production of the special " minimum tillage tractor" which has been introduced in Kazakhstan over the past decade in an effort to reduce the soil erosion associated with traditional ploughing in this area of essentially

The best hopes of increased agricultural output, however, appear to lie, in the relaxation of limitations on private farming and new incentives for collective farm workers to pro-duce and sell-to the collective

Our Foreign Staff adds: Poland's cattle and pig herds have declined dangerously and further destocking is inevitable, Mr. Jerzy Wojtecki, the Agriculture Minister, warned yesterday.

The national pig herd was almost 11 per cent lower than ast year and the number of cattle in the country had fallen by 7 per cent because of shortages of fodder and feed grains, he told PAP, the official news

By David White in Ajaccio M. JACQUES CHIRAC, the Gaullist presidential contender, spent the weekend

> to a campaign against over-centralised government. M. Chirac has made regional reform a main plank of his platform, reviving proposals rejected in a 1969 referendum—the event which provoked General de Gaulie's resignation. His attacks on the excesses of technocracy" and the "distant Parisian bureau. cracy" were as well received -by the same audiences—a

honour and grandeur.

M. Chirac's kind of decentralisation goes in tandea.

with the theme of nations marginal agricultural land. unity. In Napoleon's birthplace, Ajaccio, ruled by selfdeclared Bonapartists, he warned against a break-up of the nation and condemn strongly autonomist violence. and state farms. His visit, a tour de force

> Solenzara on the east coast on Sunday.
>
> M. Chirac's regional plan already heralded by Gaullist MPs in Alsace, stops short of the elected assemblies sought by the Communists. These would be a "manifest error." His plans, based on de

of speeches and baby-kissing,

was preceded on Friday night

by one of the island's most spectacular bombings.

bungalows at a new fim

Post Office holiday camp near Bastia were destroyed by

Another bomb went off at

Eighty-seven of the

over 200 lb of explosives.

Gaulle's, involve greater competence for local authorities, corresponding funds and freedom from ministerial tutilage. If regional pro-posals had not been coupled in 1969 to a controversial reform of the Senate, they would have been accepted, M. Chirae said.

Corsica's Gaullist tradition, dating from the wartime eccupation, had a big comeback in the last legislative election in 1978, when the Gaullist RPR party took all four seats, against one of the previous three seats.

Bomb defused at West Berlin factory

WEST BERLIN-Explosives experts defused a bomb at the West Berlin factory of Kraftwerk Union, the big structor, police said yester-day. The bomb, concealed in a briefcase bound with plastic tape, was discovered by a worker who alerted police.

The incident follows the anti-nuclear demonstration near Hamburg at the week end. Some 50,000 people took part in the protest against the construction of a planned 1,300 MW atomic power station. Some of the demonstrators hurled rocks and home-made Molotov cocktails at police guarding the site of the plant at Brokdori. More than 100 police were

injured. The fanned controversy about nuclear power, a emetive issue Germany, where there is a powerful lobby. environmentalist

Italian Communists lend Forlani a helping hand

BY RUPERT CORNWELL IN ROME

THAT ITALIAN politics are goodwill among Christian Demostrange is a commonplace, crats, Socialists, Social Demo-Rarely, however, can the para- crats and Republicans. Their doxes have been more evident than in the past 10 days. On Sunday, the lower house completed the first stage of

Parliament's examination of the 1981 Finance Bill, the most important single piece of Government legislation each year. The debate ended with a whimper—rather than the bang of yet another government crisis which on several occasions seemed an odds-on bet. The measure was approved in a nor-On the first, the Communists mal secret ballot by 326 votes to 237, exactly in line with the

Arnaldo Forlani, the Prime

100-odd majority commanded by

the four-party coalition of Sig.

weekly squabbling has been the main distinguishing feature of what is arguably the most

fractious Italian administration in recent years. That the Government survived is more the result of calculated gestures of co-operation by the Opposition Communist party, which on two occasions stepped in to help when the coalition seemed on the verge of tearing itself

agreed to suspend parliamen-tary business after the Government—for reasons unclear—lost six consecutive decisions on the Finance Bill. Then, this week-

sions indexation, they agreed to abstain in two key divisions.

This, in turn, let Sig. Forlani off the hook of having to make every division on pensions a rollcall vote of confidence. And what was the Prime Minister worried about? Not the Communists, of course, but the risk of 50 or more defectors in his own ranks who could have used the secret ballot to vote against him, as they voted the downfall of the previous Government of Sig. Francesco Cossiga last September.

But once the Communists had agreed to abstain, rebellion became pointless. And with that threat disappeared another: that abuse of the procedure of a vote of confidence, on so trivial a

of all parties. This could have turned a political breakdown scandal of the winter has sunk into a constitutional one. But without trace, overwhelmed by the sky cleared as suddenly as it had darkened, and the final vote went through as if nothing had happened.

Nevertheless, perhaps three essons may be drawn from the Finance Bill episode. First, that the stalemate which has gripped Italian politics since the inconclusive general election of 1979 remains, indeed is worse than Socialists, whose alliance is ever. All that stands in the way of another general election is the knowledge that it too would probably be inconclusive, with olosely with the Communists consequences hard to foresee. than with their ordained partconsequences hard to foresee.

inister. end, in return for minor conmatter as whether pensions. The Forlani Government's life.

And yet this happy ending cessions from the Government should be adjusted for cost-of- has been an Italian version of The Forlani Government's life ner in Government.

pensions. Even the \$2bn oil tax exist. scandal of the winter has sunk subsequent sensations.

The second lesson is an old the system is unworkable. This Communists alone have the power to block everything, than that minority factions of both Democrats Christian essential for any Government to be formed if the Communists are in opposition, want to work more

This obviously builds was due not to any rediscovered on a complicated reform of pen-living increases every four "The Perils of Pauline." Each stability into the system, as the

months or every six months, week brings new tensions, be it Cossiga administration learned might have provoked a sponta- over terrorism, earthquake re- to its cost when it tried to preneous uprising among deputies lief, credit policy, or most lately tend the Communists did not

The final lesson is the reverse of the second, that the Communists cannot ignore the Government and conduct susone—that without an under-tained, outright opposition. To standing with the Communists, do so would probably bring do so would probably bring down the system, with no reflects less the fact that the guarantee that a better one would succeed it.

It is probably no accident that the Communists' accommodating line over the Finance Bill has coincided with intense public criticism over the shortcomings of the system, and of the parties' stranglehold on the levers of power, in defiance of what the postwar constitution intended.

The agitation over proposals by Sig. Bruno Visentini, former Cabinet minister and spokes-man of an "enlightened bourgeoisie" of the north, for a system which would return power to parliament and do away with preordinated majorities cooked up by the party bosses, has been symptomatic of the jittery mood.

Inevitably, the Visentini proposals have been sucked into the political morass, backed by those who see his advocacy of ministers picked on merit as a way of associating the Communists more closely with government, and nervously derided by those who want to keep them out. But against this background, it is not surprising that events in Spain have sent a frisson through the Italian political establishment.

But the new Communist tack, in such contrast with the angry public speechifying of party leaders, is also linked to the Communists' aspirations to head a left-wing majority which could remove the greatest weakness of Italian politics: the lack of an alternative to the Christian Democrats. After this weekend, it is harder than ever to argue any longer that the Communists are domestically responsible. And after the brouhaha over Moscow's refusal to let the party's delegate speak at the Soviet Communist Congress, it is equally difficult to

FINANCIAL TIMES, published daily except Sundays and holidays, U.S. subscription rates \$365.00 per sannum. Second Class postage paid at New York, N.Y., and at additional mailing



Sig. Forlani: each week brings news tensions.

maintain that its first loyalty is to the Kremlin.

But political change is agonisingly slow in Italy. With-luck, Sig. Forlani might now stagger on until this summer's local elections. These at least could offer a clue to what impact, if any, the manoeuvrings of recent months have had on the electorate.

In the meantime, the parties seem fated to go on displaying the extraordinary Italian gift for compromise in extremiseven if that means that a party in opposition for 32 years should feel moved to help one which has been in office for an unbroken 35

Western Canadian Resources Fund Limited

Dividend Notice

Notice is hereby given that a capital gains dividend of \$55.00 per share has been declared on the outstanding shares of the Fund, payable February 24, 1981 to shareholders of record at the close of business on February 17, 1981. Holders of Bearer Share Warrants should present Coupon no. 8. The coupon may be presented through any of the paying agents of the Fund: The Toronto-Dominion Bank, The Canada Permanent Trust Company; Banque Internationale à Luxembourg Société Anonyme.

Winnipeg, Manitoba February 17, 1981

By Order of the Board W.L. Johnston Secretary-Treasurer

NEW NATIONAL INSURANCE CONTRIBUTIONS.

National Insurance contributions rates and limits will change from April 6, 1981. The main changes are shown here, but for full details get leaflet NL208/

Apl81 from a post office or social security office.

EMPLOYERS AND EMPLOYEES.

The lower earnings limit below which no Class 1 contributions are payable, by employer or employee, is being raised to \$27 a week. The upper earnings limit up to which Class 1 contributions are payable

will be raised to £200 a week. The percentage rates of contribution for employees will also be increased. Those who are not contracted-out will pay 7.75% on earnings up to \$200. Those who are contracted-out will pay 7.75% on earnings up to \$27 and 5.25% between \$27 and \$200. The reduced-rate contribution payable by some married women and widows will go up to 2.75%. There will be no change in the

percentage rates of contribution paid by employers.

New contribution tables are being issued direct to employers. But if copies are not received by March 21 apply as follows:

* Not-contracted-out tables (CF391) – local social security office.

payments of earnings after that date.

*Contracted-out tables (CF392) -Contracted-out Employments Group,

DHSS, Newcastle-upon-Tyne NE98 1YX. * NI Surcharge-exempt tables (CF398) - Collector of Taxes to whom end-

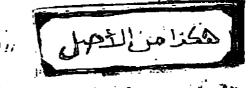
of-year tax returns are made. Existing tables will be invalid after April 5 and should not be used for

SELF-EMPLOYED.

Class 2 flat-rate contributions are being raised to \$3.40 a week. If you expect to earn less than £1.475 from self-employment in the 1981/82 tax year, you can apply for exception from liability to pay Class 2 contributions. Class 4 contribution rate will be increased to 575%, and the lower and upper limits of profits or gains on which contributions are payable will be raised to £3,150 and £10,000 respectively.

VOLUNTARY CONTRIBUTIONS. Class 3 flat-rate contributions will be raised to £3.30 a week.

Issued by the Department of Health and Social Security.





British Caledonian We never forget you have a choice.

The failure of last week's coup will not end the military threat to Spain's fledgling democracy, Robert Graham writes from Madrid

The Spanish generals learn how to usurp power

THE LESSON from the abortive THE LESSON from the abortive Parliament has the sovereignty posed, acting at the limits of military coup in Spain last Mon- to legislate, but not the muscle his constitutional power and day is clear enough for any future plotter. Instead of selzing 1, 350 deputies plus the Cabinet in

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the week King Juan Carlos.

En against the work King Juan Carlos.

The vulnerability of the government that the monarchy, the institution which are has aved the day, now terrifies the moliticians. mm a main by politicians. The deputies who with the army and its comstrong result of rebel Guardia Civil emerged
the event is confident that democracy had neral de Gat most feel like Sr. Eduardo Punechnocracy (set, former Minister of European Affairs: "Now I am far more Parisian bute pessimistic as we learn what really happens and look at the consequences."

The coup has demonstrated beyond doubt the failure of the patient efforts to remove the armed forces to the outskirts of politics since Gen. Franco's death in November 1975. The past week has shown that only two strong institutions exist in and condens Spain: the armed forces and the King. Parliament and the Cabinet, the legislature and the executive, have pathetically little real power and authority at their

> now reform: the armed forces independence of the civil power; the territorial organisation into nine insinland captaincy generals; the system of military justice; the ambiguous nature of who has control over the senior commanders, and the definition of the role of the para-military Guardia Civil and National

either to introduce such legis- this is potentially dangerous." lation or to make it work. It The King himself in a written will take a long time for Par- statement to positical leaders llament to assert its supremacy. said: "Everyone must be made

the King is an active comman-

• The King is now very exposed, acting at the limits of his constitutional power,

and this is potentially dangerous 🤊

forces which look to the King to redress their grievances. This relationship he ped to stimulate Monday's plot. The isposal. rebel generals knew the King By rights, Parliament should shared many of their views about the state of Spain.

This special relationship allowed the King to carry the day. But his brave gambit can be used only once. Elements within the armed forces believe thus ceased to be the same sym-

aware that the Crown cannot, The vulnerability of the weakened by the very fact that and must not, continually confront, bearing direct responsider in chief. It is he who deals bility incidents of such great tension and seriousness.".

The coup nearly succeeded. The seizure of parliament, recorded on television, may seem outside Spain like a comic opera with the Guardia Civil wearing their curious threecornered hats. But this was part of an organised and determined attempt to overthrow democratic government. It had wide support and sympathy throughout the armed forces. The plan was essentially in

 The seizure of parliament by some 200 Guardia Civil led by Col. Antonio Tejero. The rallying of the regional

military commanders led by Gen. Jaime Milans del Bosch to support a dissolution of Parliament and the creation of a that the King would accept a government of national salva-

by the crack Brunette armoured division. · Acceptance by the King of the military backed government, plotters had no answer when he beaded by Gen. Alfonso flatly refused—and went even beaded he went against shem and has Armada, for long the King's further by saying he would be closest military aide.

The first part worked per-A leading politician said: fectly, the second almost was its cautiousness. The are the same today as they were "The King is now very ex- worked, the third was very seizure of parliament was an on the day of the coup: that

Gen. Milans del Bosch, left, and King Juan Carlos, right, eating sandwiches together during manoeuvres in happier days.

imperfect, and the fourth failed utterly. The plan's basic weakness was the assumption fait accompli and throw in his lot behind the military of whom The occupation of all key he is commander-in-chief, strategic installations in Madrid Having assumed he would do this, in the erroneous belief that he shared their views on the direction of Spain, the

The plan's other weakness

removed only by force.

isolated act, not enough to Spain needs strong government paralyse the apparati of state to impose law and order and while the generals were making stamp out terrorism, and that up their minds.

It is the image of the army commanders, vacillating over bunch of men in short trousers whether to support the coup, which has most damaged the armed forces' public credibility. Courage is much-prized in Spain. Those generals who have never ceased to grumble about the failings of democratic Spain did not have the lan's other weakness However, those convictions cautiousness. The are the same today as they were

the politicians entrusted with this task are little more than a who have learned a few ideas in university.

Precisely because this view has wide currency within the armed forces, the aftermath of the coup is fraught with danger. We simply cannot afford to humiliate the armed forces," was a distilled version of the message given by the King to political parties in audience on

Not only does this risk provoking retaliation, it also risks alienating the armed forces as an institution at a moment when they need to be incorporated more closely into

The Government and the King, have to tread the finest line over punishing those involved in the coup. The occasion calls for tough action, but this could be awkward. At least two generals refused to arrest Gen. Milans del Bosch in Valencia. The man has such prestige among his fellow officers it is a bit like asking a general to arrest a Field Marshal Montgomery.

The past week has shown just how raw the wounds of the Spanish Civil War and the Franco victory continue to be. On Monday night, a next-door neighbour sent his family to the provinces, hid all identifying documents and prepared to go underground. From conversations it is evident many had the same fears.

The coup has also perhaps hit on the head one of Spain's principal arguments for joining European Community, namely that joining the Com-munity will consolidate the democratic process. The milihave given ample proof Community membership, prospective or actual, is no warranty against their interven-

The military's sheer arrogance in assuming they can dictate the form and nature of

been a heavy blow.

Over the past few months, there has been much talk about so coups which included the name of Gen. Armada as head of a government of national salvafulfilling prophecy. Like most .. of my colleagues and Spanish friends, I thought this was the 1980s, with Spain, albeit imperfectly, accomplishing a ful political transformation. The coup has badly tarnished this image, perhaps with important effects in Latin America, where Spain has become a model for those countries seeking to break away from dictatorships.

Can anything positive be said about what looks like a Pyrrhic victory for democracy? The Press, radio and television have played a key role in providing good information clearly identified as close to the truth. This is something completely new. cople have shown a good deal of maturity in not panicking. The unions have shown enormous restraint in not bringing out their members in provocative (to the armed forces)

It can be argued that the deputies' 18-hour detention was the most useful parliamentary session ever held. It brought home the need to bury differences and to solve the big probbating unemployment and con-

Strike again paralyses Irish fuel supplies

BY STEWART DALBY IN DUBLIN

IRETAND IS acutely short of fuel, especially petrol, for the in its tenth day, is over a lit was claimed that this would second time in six months, productivity claim by the bring a driver's earnings to because of a strike by oil tanker country's 830 drivers. Five of Ir£168 (£130) a week after all because of a strike by oil tanker

Many garages across the country are reported to have closed at the weekend and, in. Dublin, there were long queues of cars at the few which were open. Some Aer Lingus flights reportedly have had to refuel in Britain, Hospitals and power stations have not been affected, however, thanks to stockpiling after the previous strike which emied in that September and to the small state-owned Ola company which is still delivering.

involved and drivers at the sixth, Esso, have come out in sympathy. The action was started because of a failure to agree acceptable productivity pay during the last stoppage.

Maximum. offer-

Then, the Government used the Army to move supplies. The drivers finally agreed to return to work after a promise that employers and union representatives would work out a productivity pay formula?

Two weeks ago, the employers came up with a figure of addiad lrais (\$10) a week which they

the main six companies are allowances but before overtime.

The drivers, however, are claiming Ir£25 (£19.50) a week, and hectic negotiations have been going on for the past week to try to narrow the gap. The Labour Court is now investigating the dispute and will report probably tomorrow or Thurs-

day.
The Government fears that a lengthy stoppage is in prospect. Unlike last year's strike this is supported officially by the Irish Transport and General Workers' Union to which the drivers The Government is worried about increasing its

The dispute, which is now said, was their maximum offer. could prove to be the run-up to a general election.

Meanwhile, there are reports here that the Commission on Industrial Relations, which has been sitting for almost three years, has decided that the right to strike should be curbed dramatically and that the Labour Court should be abolished completely to be replaced by a twotier structure comprising the Court and the Industrial Rela-

No comment

Radical reforms in the law on strikes could make unofficial and inter-union disputes illegal and outlaw picketing outside an employer's home.

The Government is refusing

Discotheque fire inquiry ópens in Dublin

DUBLIN — An official inquiry opened in Dublin yesterday into the discotheque fire tragedy in the city last month which claimed the lives of 47 young people and injured about 150.

A full investigation into the disaster was promised by Mr. Charles Haughey, the Prime Minister, within bours of the fire which was in his own parliamentary constituency.

Mr. Justice Ronan Keane, presiding, fixed April 6 for the start of the hearing of evidence and then adjourned the tribunal. He said police had taken more than 1.000 statements which had still to be studied by lawyers involved in the inquiry.

Offshore pay problem in Norway

BY FAY GJESTER IN OSLO

Norway's offshore oil industry increase facilities for training in are pushing up pay levels in the skills in strong demand. other areas of the economy at a When the supply of Norwegian pace the country cannot afford, personnel is inadequate, restric-Norwegian business leaders have warned.

In a letter to the Government, the Employers Association, the Federation of Industry and the Shipowners Association they are pressing for measures to counter the offshore "contagion."

limited time, in industries with says this is an important cause strongly expanding labour of Norway's high inflation rate, needs, but that other employers and urges that the deficit, exclucannot afford such increases in sive of oil income, be reduced their labour costs. To cushion in forthcoming budgets. This the effect of the offshore in-should be done mainly by in the same period, most of dustry, the Government should curbing the growth in public the result of agreed awards.

tions on hiring foreigners should be eased, they urge.

The letter also stresses the need for less inflationary fiscal policies, pointing out that ordinary expenditure in the 1981 budget is expected to exceed ordinary income (that is, dis-They say that high pay rates regarding oil revenues) by may be justified, at least for a about NKr 18.5bn (£1.54bn). It

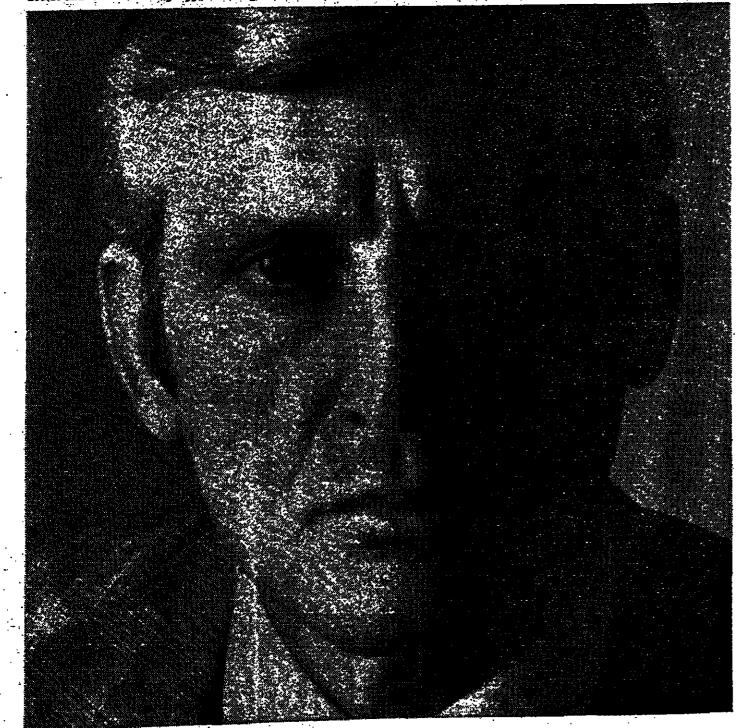
SOARING WAGE rates in encourage labour mobility and sector spending and by reducing income transfers. Present trends represent a

clear danger to Norway's competitiveness, the letter adds. Pent up inflationary pressures released since the prices and incomes freeze ended a year ago have led to a loss of market shares for Norwegian industry and shipping.

Wage rates in industry rose by 13.4 per cent in the last quarter of 1980 compared with the same quarter in 1979. This was mainly a result of wagedrift, after relatively moderate awards during the spring wage bargaining. Average rates offshore increased by 21.4 per cent in the same period, most of it.

KNOWING HOW TO LISTENTAKES MORE THAN TWO GOOD EARS.

Most of us have perfectly good ears. So why, then, are we such perfectly awful listeners - listening on the average at a 25% level of efficiency?



The fact is, there's a lot more to listening than hearing.

After we hear something, we must interpret it. Evaluate it. And finally, respond to it. That's listening.

And it's during this complex process that we run into all kinds of trouble.

For example:

We prejudge—sometimes even disregard—a speaker based on his delivery or appearance.

We let personal ideas, emotions or prejudices distort what a person has to say.
We ignore subjects we consider too difficult or uninteresting.
And because the brain works four times faster than most people speak, we

too often wander into distraction.

Yet as difficult as listening really is, it's the one communication skill we're never really taught.

Well, as a corporation with more than 88,000 employees, we at Sperry are making sure we use our ears to full advantage.

We've set up expanded listening programmes that Sperry personnel from our five divisions worldwide can attend. Sales representatives. Sperry Univac computer engineers. Even the Chairman of the Board.

We're convinced that effective listening adds a special dimension to what we can do for our customers. And when you speak to someone from Sperry we think you'll be equally convinced.

It's amazing what more than two good ears can do.



We understand how important it is to listen. Sperry is Sperry Univoc computers, Sperry New Holland farm equipment, Sperry Vickers fluid power systems, and guidance and control equipment from Sperry division and Sperry Flight Systems.

Soviet Party Congress at the weekend that Iraq was involved weekend that Iraq was involved which was published yesterday in the Soviet Communist Party which the country's industry and causing great harm to the Iraqi people.

Mr. Aziz Muhammed, the first secretary of the Iraqi also said Iraqi Communists had been subjected to the "cruellest repressions' and "many leaders, officials and ordinary party workers have perished." He predicted that

THE LEADER of the Iraqi launched by other "reactionary to Iraq since the outbreak of fatherland are perishing, the Communist Party told the and dictatorial regimes" would, fighting.

economy and major industrial Communist Party told the and dictatorial regimes" would, fighting.

> Muhammed's speech newspaper, Pravda, was the most striking indication yet of growing tension between the Soviet Union and Iraq, a country with which the Soviet Union has had a friendship treaty since 1972.

Although the Soviet Union provided most of the weapons being used by Iraq in the war with Iran, now in its sixth He predicted that month, Soviet officials say there the campaign, like similar ones have been no new arms supplies

Soviet Union maintained public neutrality on the issue and Mr. Leonid Brezhnev, the Soviet leader, last week renewed an earlier call to the two sides to begin peace talks:

The Iraqi Press had indirectly criticised the Soviet Union for failing to live up to its commitments. Mr. Muhammed condemned

the Guif war and demanded withdrawal of Iraqi troops from Iranian territory. 'Thousands of sons of our sentative at all.

projects our people's labour has created over decades are being destroyed, and the living conditions of the broad masses of the people are getting worse," he said

Mr. Muhammed was the only Iraqi to address the Soviet Party Congress. In 1976, the ruling Baath Party sent a delegation along with the Communists to the 25th party Congress but this year Mr. Saddem Hussein, the Iraqi President, sent no

Thatcher's Gulf force proposal under fire

Margaret Thatcher's offer to the U.S. to take part in al Khalleej, sees Britain as Western rapid deployment force to meet emergencies in the Gulf, has met with heavy criticism in the area.

newspapers have denounced the British Prime Minister as wishing to join the U.S. in re-establishing Western domination in the Gulf under the guise of protecting oilfields

In Bahrain, the daily, Akbar ency of the Prime Minister's manoeuvres of Oman later this turning to a pre-1971 East of Suez policy. In Saudi Arabia, al Nadwa newspaper says that nothing has changed in the region to justify what it sees as Mrs. Thatcher's call for Western forces to be stationed

Gulf Governments have been slower to react but, in the United Arab Emirates, officials

In Oman the army of Sultan Qaboos is largely run by British seconded and contract officers. British officers are also assisting in training and other fields in other Gulf states. In the past, officials in the Gulf have expressed appreciation for the UK's low profile and the lack of publicity given to its assistance, compared with the U.S. The U.S. is to stage naval

month and Mrs. Thatcher is to visit some Gulf states next explain to local rulers what her statement in Washington means

Military experts doubt, however, that Britain, which is keeping two frigates in the area, has sufficient naval strength to do much in the northern Indian Ocean to assist the U.S. carrier

New Zealand's strikers start returning to work

BY DAI HAYWARD IN WELLINGTON

start returning to work today off as a result of an agreement between the Federation of Labour and the Government. This follows a mass protest march in Auckland yesterday and the acceptance by Cabinet of a Federation of Labour request to immediately consider the laws governing

The only union yet to accept the federation's return-to-work is the Auckland Engineers' Union whose memwere involved in the

THE ISRAELI Government is

engaged in a last-minute rush to

expand and consolidate Jewish

settlement on the occupied

West Bank before the June 30 general elections. Whil depriv-

ing the Palestinians of their

aimed just as much at prevent-

ing a future Labour govern-ment giving up any of the West

Bank in exchange for peace

more about the Jordanian

option or territorial com-

promise," says Mr. Ariel Sharon,

the Minister in charge of the

settlement programme which

has aroused the protests not

only of the Palestinians and

friendly Western Governments

but has also been condemned

Standing on a windy hilltop

on the West Bank, the bull-like

retired general waves his arm around and says happily: "We

are going to leave an entirely

different map of the country

that it will be impossible to ignore. I do not see any was that any government will be able to dismantle the settle-

His building record is impres-

sive. In under three years he

has set up 33 settlements, eight

are under construction and

The Labour Party, strongly tipped to win the summer elec-tions, has declared its willing-

West Bank in exchange for peace with Jordan. Because of

this, Mr. Sharon has concen-

trated his unflagging energies on building settlements in the

areas Labour would be willing

to give up parts of the

work is starting on ten more.

ments."

by the Israel Labour Party.

"It is impossible to talk anv

with the Arabs.

STRIKING New Zealand unions airport disputé which sparked off last week's widespread industrial unrest.

In an effort to settle the strike, Air New Zealand has undertaken not to employ nonunion labour in further disputes provided the engineers return to work while their claim is considered.

The airlift of passengers stranded on both sides of the Tasman Sea by the Air New Zealand and Opantas strikes was extended yesterday to Christ-

The former war hero is plant-

signed to block any withdrawai. Having populated them mostly

with members of the fanatica

Gush Emunim movement who

share his views, Mr. Sharon

knows he has created a poten-tially very explosive situation

in which Jew could fight Jew

over the future of the West

The Labour Party declares

ing them like minefields de-itself undeterred. Its spokes-

men point out that they have

trlocked Gush Emonim settle-ment attempts in the past when

these were aimed at areas the

party believes should be traded

for peace. They also admit that

in a couple of cases they did

give in, because of conflicting

Pakistan lawyers boycott courts in Zia protest

boycotted courts across Pakistan support. yesterday in a protest against the country's military rule. In Lahore itself, lawyers at the High Court burned an efficy of Gen. Zia ul-Haq, President of Pakistan, beneath a symbolic bundle of censored newspapers. The nine-party movement, set

up last month to try to force Gen. Zia's resignation and the holding of Parliamentary elections, had urged Pakistanis to back the lawyers' action and make yesterday a day of national protest.

But apart from the lawyers' Agencies

Sharon plants a minefield of Israeli settlers

LAHORE - Lawyers backed by boycott there was little evidence the newly-formed Movement for that the movement had sucthe Restoration of Democracy, ceeded in its first test of public

> Movement officials said that with several hundred of their party workers rounded up by the Government in the past week, it was difficult to organise any large-scale support for yesterday's protest.

The Movement, which includes the Pakistan People's Party of Mr. Zukikar Ali Bhutto, the executed Prime Minister, wants an immediate end to martial law, and Parliamentary elec-

Iran awaits Baghdad's reaction to peace plan

By Terry Povey in Tehran

IRAN'S TOP political and military leaders were yesterday involved in a flurry of consultations with Ayatoliah Khomeint, the country's revo-Intionary leader, attempts to negotiate an end to the war with Iraq.

problems.

win more time.

the Administration wants to

were held, the first involving a delegation led by Mr. Mohammed Ali Rajai, the Prime Minister, and the sceond including the Defence Minister, the heads of the army, navy and air force as well as the chief of the country's gendarmerie and General Valiollah Fallahi, head of the Joint Chiefs of

Both discussions were seen as a reaction to the visit of the Islamic Conference's peace delegation at the week-end. No official statement was available but observers believe that, having pre-sented their terms, the authorities in Tehran are awaiting the results of the delegation's visit to Baghdad which started yesterday.

It also seems likely that they will wait for the return to the Gulf of Mr. Olav Palme, who is acting as UN Secretary General Kurt Waldheim's representative, before con-sidering further the question of negotiations with Iraq.

President Abolhassan Bani-Sadr dexied yesterday that the Islamic delegation had brought any specific pro-posals to Tehran. Speaking on the State radio, the President said: "The delegation had no proposals other than a ceasefire, and they came to hear our views. Perhaps they will present some proposals later."

While the Islamic conference delegation was in Tehran, Mr. Yasser Arafat, leader of the PLO, claimed that it had brought specific proposals for Iran and was

create the impression that a

major change will come over

Israel's settlement policy if the

Labour Party returns to power, in reality it is more in the

nature of a family squabble about where to settle rather

First, both parties agree that Israel should never give up Arab East Jerusalem and the

67 square kilometres of its

environs annexed in June 1967.

Second, the Labour Party plat-

form "insists" that the 32

settlements it built between

1967 and 1977 in the Jordan

Valley and on the foothills over

looking it, as well as at Gush

Etzion, south-east of Bethlehem.

will be included in the

Where they diverge is over

sovereign territory of Israel " in

the central highlands and

western slopes of the West

Bank mountains where most of

the 700,000 Palestinians live.

abour wants to hand this area

back to Jordan, to rid Israel of

an additional Arab population.

Likud simply says that Israel must hold all the West Bank,

which is part of the historic "land of Israel."

It is in this domestically dis-

parted area that Mr. Sharon has

built his settlements, which he is now expanding by expropriat-ing more tand and adding per-

manent housing to replace the original temporary homes.

There are already serious doubts about Labour's resolve

to confront the settlers. If, as

is likely, Labour has to form a

coalition government, it is diffi-

cult to see where it could find

a partner willing to dismantle settlements. Maybe that is why

than if to settle.

Governor Carey: following

Carey cuts red tape

By David Lascelles in New York GOVERNOR Hugh Carey of New York has proposed new legislation to cut red tape in the

The package of 22 Bills, was transmitted to the state legislature at the weekend. The package includes:

Reregulation of certain

espects of the transport industry. Banking changes to facilitate the expansion of electronic banking and non-branch facilities. At the moment, ternon-branch minals are considered to be branches, subject to capital and other regulations. The Bill would also ease mergers of savings and loans institutions Streamling of procedures concerned with environmental

conservation. Simplification of state contracting regulations.

THE REAGAN Administration is taking longer than expected to decide its attitude towards the Soviet Union on the issue delay has been compounded by

organisational and personnel The Administration was yes session is said to be likely since totally predominant one, in contendar reported to be on the the Reagan. Administration ordinating foreign policy and verge of postponing a meeting of the Standing Consultative Commission due on March 25. This is a regular forum for U.S.issues to decide: Soviet discussions on strategic issues. But it now seems that . The most pressing

Mr. Reagan was urged last week in meetings with Mrs. Thatcher and M. Jean François-Poncet, the French Foreign Minister, not to delay long before resuming a dialogue with Moscow, though the British Prime Minister said that the Brezhnev suggestion of a summit should be treated with great caution. Both allies said the new team in Washington deserved a little more time to sort out its priorities.

The standing commission,

which despite all the ups and downs in super-power relations has only had one meeting postponed in nine years, is usually a technical forum for discussion of implementation and com-

agreements. But it is also em- vulnerable to the other's deter powered to talk about broader rent. But there is some sent issues, such as ways of reducing ment in the Republican Part nuclear arsenals and has been for a renunciation of the treat of nuclear arms control. Officials the major point of regular. Only last week a formula was in Washington confirm that the contact between Washington approved for decision-making and Moscow, on these issues since it was set up in 1972.

Reagan team seeks more Ro

time for nuclear planning of

wants to work out its own policy chalting before sitting down in any mittees, forum with Soviet experts. But the President Reagan has several for delay. A crucial factor to issues to decide:

1 interim accord on offensive weapons. This run out in 1977, but both President Carter and President Brezhnev agreed to abide by its provisions until a SALT 2 treaty took effect. Mr. Reagan has said he wants a new arms treaty with large reductions in nuclear forces to . replace the SALT 2 treaty have not been sent to the Senate which was signed in 1979 but the officials are classed as "time" never ratified in the U.S. suitants." Senate. The President must decide whether he wants to Reagan Administration's claim start again from scratch or just to have organised the smoothed to amend the 1979 treaty.

 The 1972 treaty limiting antiballistic missiles is due for House determination to place a review next year. Mr. Reagan many Reagan "loyalists" in the has made no public pronouncements on this treaty which rank as possible and also from restricts defensive systems and a desire not to offend the Repub pliance with strategic arms thus keeps each super-power lican Right-wing in the Senate

procedures which will give Mi. Alexander Haig's State Depar Postponement of this month's ment a lead role, but not inter-agency com

But this is not the only ream Administration's part in nan whether to abide by the SALT people to keep posts and in se mitting nominations to the Senate for confirmation. Arms Control and Disarmane Agency, which is a key she of any policy on SALT, still he no announced head. At least dozen other top jobs at the State Department have been filled in formally, but since the tames

transition of power in history many Reagan "loyalists" in to Government jobs below Cabine

Refinery closure likely to be first of several BY PAUL BETTS IN NEW YORK STANDARD OIL of Indiana, prices. The most pronounced

the third largest U.S. crude oil declines have been in consum refiner which sells its petrol tion of petrol and heating oil under the Amoco brand name.

Despite the recent relaxation is closing indefinitely one of its ten refineries in the U.S. at

products. The closure is expected to be followed with similar action by of decontrol. But lower marketother major refiners whose plants have been operating at about 70 per cent of capacity compared to about 90 per cent

products which has dropped record of 283.3m reached last-sharply as a result of rising April.

declines have been in consump. Despite the recent relaxation of oil price controls introduced Wood River, Illinois. The comin demand is likely to result in-pany blames the drop in a drop in prices for petrol and demand for U.S. petroleum other petroleum products. In recent weeks, these prices

demand is expected to erode-recent increases in retail prices. U.S. petrol stocks are now nearing record levels, accord two years ago. ing to the American Petrolena.
This reflects a dramatic Institute. Inventories light change in the pattern of conrisen to 280.1m barrels and sumption of U.S. petroleum appear to be moving up to the control of 283.3m reached lastappear to be moving up to the

Peru border talks resume

BY DOREEN GILLESPIE IN LIMA

PERU hopes to reach agreement with Ecuador to end the border conflict between the two countries as a result of talks. due to resume today.

"We are very optimistic. though there is still no definite agreement," Dr. Javier Arias Stella, Peru's Foreign Affairs Minister, said at the weekend. Meetings between missions headed by Vice-Admiral Jorge

earlier conflict. due Bois of Peru and Vice- ceasefire and withdrawal of Admiral Raul Sorroza of troops to a "reasonable Ecuador, which started last distance." Both delegations Thursday, have been held alternately at the frontier towns

Huaquillas in Ecuador. Peru agreed to these talks after Ecuador began to withdraw troops from the eastern side of the Condor mountain range, which Ecuador claims but which is Peruvian territory according to the Rio de Janeire protocol signed in 1942 after an

The p urpose of the present talks is to arrange a definite adjourned to report to their respective Governments on of Aguas Verdes in Peru and Sunday.

Nicaragua arms 'pledge' to U.S.

BY OUR WASHINGTON CORRESPONDENT

arms across its territory to guerrillas fighting the ruling junta in El Salvador, Mr. Alexander Haig, U.S. Secretary from Nicaragua to U.S. presof State, said yesterday.

about two weeks to check that it had hived up to its assurances, he added. he added.

The State Department has reported a lull in arms ship-

THE U.S. has received "certain ments from Communist sources \$15m may be withheld because assurances" from Nicaragua the Salvadorean of the Managua Government's said more time was needed to determine whether this was an accidental interruption or reflected a political response

assurances" from Nicaragua reaching the Salvadorean of the Managua Government's that it will stop shipment of guerrillas during February, but alleged support for the Salvadorean guerrillas.

Mr. Haig denied yesterday that the U.S. Administration had-decided to stop aid to Nicaragua permanently.

Last year the U.S. made some Nicaragua may request financial with the Interview of the Inte William Chislett country not supporting or exporting "terrorism." it overcome its growing economic problems. An IMF most of this. But a remaining probably in July or August.

The 'Lech Walesa of Brazil' faces defeat

Mr. Ariel Sharen watches from a window at one of his West Bank mountain outposts.

expressed his opposition to the

Likud settlement programme,

but at the same time has

declared that a Labour Govern-

ment "will not be in the busi-

This apparently contradic-

tory position is explained by a

party spokesman, Mr. Yosef Beilin: "Our intention is to let

the settlements stay there until

a peace agreement is signed. We

will ask our negotiating part-

ner to let them stay under Arab

ments."

of dismantling settle-

pressures within the coalition sovereignty, like the Arab vilgovernments which Labour lages in Israel But if the Arabs

headed between 1967 and 1977. insist on our removing them,

chairman and nominee for case in Sinai."

Prime Minister, had repeatedly However, it

Mr. Shimon Peres, the party then we will do so as was the

BY RIK TURMER IN SAO PAULO

IF THE three-and-a-half-year Lula emerged as the leading prison sentence passed last figure in the revival of the week on Brazil's principal Brazilian union movement, labour leader is carried out, which had been in forced major shifts in the labour movement and on the political of 1964. Three years ago he front are likely.

Sr. Luis Inacio da Silva. known universally as "Lula," has been called "the Lech limelight, making him a leading Walesa of Brazil." But unlike his Polish counterpart, Lula's attempt to set up an inde-pendent alternative to the Government - controlled labour movement, and to use it for broader political aims, may be

Last year Lula led his members out on strike in defiance of a Government order declaring the action illegal. He is appealing against his sentence, imposed by a military tribunal but since there is no recourse to the civilian courts he is unlikely to succeed. His absence in prison would considerably weaken both the metalworkers' union and the Workers' Party. which he formed after being

silence since the military coup led the country's first major strike in 14 years. Repeat perthrust him into the political limelight, making him a leading voice of opposition to the regime. He came to be seen as the criterion by which to judge the progress of Abertura

(opening), the cautious political

liberalisation undertaken by

the military regime installed in

Lula's power base is in the car assembly plants based in Sac Paulo. His members work for multinationals like Volkswagen do Brasil, Ford, and GM Over the past three years, a combination of strikes and pressures on the car companies in their home countries have multiplied car workers' pay several

The bearded, plain-spoken barred from holding any union working man who defied the multinational car companies

Lula emerged as the leading and the Government is an a Workers' Party. autentico voted in by the shop floor rather than put into office by the Government Luia was born in the poor

north-eastern cane producing State of Pernambuco, coming to Sao Paulo as a child with his family. As one of the millions of north-easterners who still flock to the big urban contres of the South, he can speak for these people

By 1980, Lula's activities had become troublesome for the Government and employers. The year before, he had been thrown out of office by a Government "intervention" in his union, but the employers, aware that he was the only figure capable of negotiating a settlement to the 15-day strike then in progress, asked for his reinstate-

In 1980, however, the strike lasted 41 days, and employers agreed that Lula's removal from in the Government's eyes, of office should be permanent. By late 1980, Luia and the other autenticos 10 of who were sentenced with him last week, were talking of the need to form

Other opposition forces, in both the unions and national politics, have regrouped into two main parties. The Party for the Democratic Mobilisation of Brazil is an alliance of Social and Christian Democrats with the Communists, whose own party remains illegal. The

lages in Israel. But if the Arabs

However, it is Mr. Abba

Eban, the former Foreign Minis-

ter, who perhaps put his finger

on a key element of Labour's

attitude when he said recently:

"We do not have to make

Gad Yaacobi, sharpened this

point by saying that no one in

the Labour Party expects that

a full peace agreement is likely

between the Government and settlements. Maybe that is the Labour opposition may Mr. Sheron smiles so much.

the

in the near future.

While

Another former minister, Mr.

operative decisions at present."

Popular Party is a mixture of opposition and ex-Government politicians watching what hap-pens before deciding whether to align themselves with the Government or the Opposition. Both these parties, however, bear the seal of government approval and are organised from the top down. Both, there-

tary Government about genuine grass-roots movements like the one of which Luia is president. The removal of Lula would not only be a relief to most other political parties but would have the added benefit, ensuring labour beace at a time when recession is under way

and the need for foreign invest-

Elections in the past year in

ment is pressing.

fore, are as worried as the mili-

and professional associations have seen the Workers' Party opposed by the Party for Democratic Mobilisation with the Communists backing the latter. The Communists in Brazil have adopted what is loosely

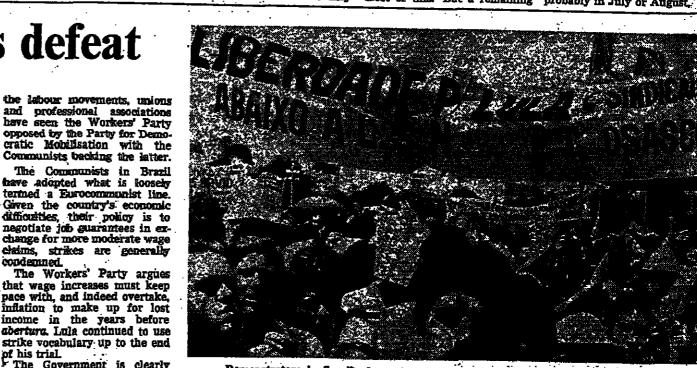
termed a Eurocommunist line. Given the country's economic difficulties, their policy is to negotiate job guarantees in exchange for more moderate wage chains, strikes are generally condemned The Workers' Party argues

that wage increases must keep pace with, and indeed overtake, inflation to make up for lost income in the years before abertura. Lula continued to use strike vocabulary up to the end of his trial. The Government is clearly more concerned to stem the

to eradicate the Communists in other parties. It has effectively belped the Communists and their allies in removing Lula Lula would be the most attractive Workers' Party candidate for the country's first direct elections for State

المكنام الثعبل

growth of Lula's party than it is



Demonstrators in Sao Paulo protest against the detention and trial of 'Lula'

since 1964. If the party collapses, the Party for Demo-cratic Mobilisation's claim to be the only "authentic" opposi-tion party will be strengthened. The Government, by striking

governments and the Federal a major blow at the Workers' which did not sack leading Government next year, the first Party. Brazil's first party to members of last year's strike, since 1964. If the party spring from the union base, has Ford, three sectors went on a front

helped to ensure that the token strike the day after the Brazilian opposition will show a trial verdict. Their protest sugmoderate, conciliatory gests that not all workers will In one of the few car factories being practised by the regime,

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lead role by education of the state of the s A control is ation s part in a keep posts are a confinations for and Disar ariting and Disar ariting on SALT in the deed head. iced head A =

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mon Italy-U.S. pairing nniq wins Romania N-power order

BY RUPERT CORNWELL IN ROME

AN ITALIAN-AMERICAN CONsortium, headed by Ansaldo portance for a variety of Nucleari Impianti, a subsidiary of the IRI-Finmeccanica stateowned conglomerate, has won only the first of an ordering a \$320m (£139m) contract to programme which envisages 12 supply formania with two nuclear power station groups; each with a capacity of 700

share is reckoned to be \$180m and that of the U.S. partner, contract is clear evidence that General Electric, \$140m, was Italy is engaged in the battle signed at the weekend in for major industrial and high Bucharest by IRI officials and representatives of Romenergo, the Romanian electricity utility.

The two units will employ the Candu technology developed by Canada. This is especially advantageous to the Romanians, since it will enable the use of non-enriched uranium, which environmentalist obstacles, the the country possesses, and thus avoid the need to go abroad for enrichment treatment.

The agreement is the fruit of five years of painstaking contacts between the Italians and Romanian personnel—segments Romania, and is understood to of the total contract which alone be the first nuclear contract won are worth \$20m. Eastern Europe. The Ansaldo-General Electric consortium was deal's value. Financing will be chosen in preference to German, at the standard rate of 7.75 per

The deal is of great imreasons.

First, the two stations are only the first of an ordering operational nuclear power stations in Romania by 1990. The Italian-American grouping thus is well placed for further The deal, of which Ansaldo's orders which might top \$1bn: Secondly, the power station

for major industrial and high technology business from Soviet bloc countries, despite the level of East-West tension.

In domestic terms, Ansaido's success is proof that whatever the poor development of Italy's domestic nuclear programme beset by bureaucratic and country possesses the technology and know-how to compete in the international market. Ansaldo will handle the testing of the new stations and train

Export credit arrangements will cover 85 per cent of the French and Swiss counter-bidders. cent, according to IRI officials, repayable over 16 years.

France set to back new Airbus civil aircraft

BY ROBERT MAUTHNER IN PARIS

THE French Government is category it is clear that the prepared to back the construct. French authorities are hoping tion of a new civil aircraft by to break into the short-haul. Airbus Industrie, the Franco-British-German consortium, if aircraft, which would prove a current market studies justify such a decision, M. Daniel Hoeffel, the French Transport Minister, said.

In a speech at the end of a Industrie's production would visit to the Aerospatiale factuallow risks to be spread more tories in Toulouse, M. Hoeffel did not specify in so many words the type of aircraft he had in mind, but indicated that an aircraft manufacturer which had become the second biggest in the Western world should be

Since. the current Airbus passenger twin-jets designed for family falls into the wide bodied: flights of 400-500 miles.

narrow-body market with a new worthy successor to the obsolete Caravelle. Airbus Industrie has designated the 150-seat aeroplane as the A-320.

The diversification of Airbus allow risks to be spread more widely and permit the consortium to adapt itself more easily to fluctuations of demand. • Eastern Air Lines plans to buy about 175 aircraft at a cost of about \$9bn between now and 1995, Reuter reports from present on both the wide-bodied Miami. The company said it and narrow fuselage markets. wants: 100 fuel-efficient, 150-

Military satellites move

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH Aerospace Dynamics demand for military communica-Group and Plessey have joined tions satellites through the forces to bid for UK and over 1980s, and both British Aeroseas contracts in the expanding space and Plessey believe that field of military satellites for together they stand a good

defence communications. chance of winning big contracts.

One such contract is being British Aerospace's Dynamics considered by the Ministry of Group has a bistory of associa-Defence, in which both British tien with communications Aerospace and its rival Marconi satellite programmes. Since Space and Defence Systems, are 1966, it has made major contribidding. This contract, which is buttons to all the civil comexpected to be announced soon, munications, satethies, of the

expected to be a growing total of over 45 satellites.

likely to be worth about global Intelest group, and to satellites prepared by the But outside the UK there is European Space Agency — a

Jakarta nears LNG price deal with Tokyo

GROUP of four Japanese power companies and the Indonesian Government appear to be close to agreement on a new pricing formula for liquified natural gas (LNG) which would pave the way for a quick resolution of two long delayed LNG sales contracts. The contracts are likely to be worth around \$39bn in current prices to the Indonesian Government over the next 20 years.

The new formula, according to officials close to both Indone sian and Japanese on the negotiating committee now in Tokyo, will link the gas price directly to the price of a range of Indonesian crudes on a free on board (fob) basis. They say it is likely to increase the effective fob price currently paid by the Japanese for Indonesian LNG by over 20 per cent to above \$6 per million British Thermal Units (BTU).

This may become a new bench mark for the world LNG

The new price, which will be applied to gas from four planned additional LNG production units at Indonesia's two existing LNG plants at Arun in North Sumatra and Bontang in East Kalimantan, will not affect existing 20contracts for 7.5m tonnes of LNG per annum from Arun and Bontang.

Both sides—a consortium of Japanese power companies which groups Toho Gas, Osaka Gas, Kansai Electric Power and Chubu Electric Power and the Indonesian Government-say they are close to agreement on a pricing for mula for a new 20-year sales contract for some 64m tonnes of LNG from a proposed two unit expansion of the Bontang

The Indonesian Government and another group of buyers made np of Tokyo Electric and Tohuku Power, currently also negotiating a 20-year sales contract for 60m tonnes of LNG from a proposed two unit expansion at Arun say they will accept the pricing formula worked out for the Bontang deal.

Agreement on a price—hy the warid's largest emprise largest importer is expected to be substantially higher than the compromise using floated by Alogra in talke last month with the TIC Government. It is likely to have a maior im pact on world LNG pricing.

Last April Algeria cut off sup nlies to the U.S. company El Paso when the U.S. Government refused to accent a new fob oil-linked formula which would have boosted prices from \$1.95 per million BTU

Compromise talks broke down last month and no further meetings are planned between the two sides.

By Richard Cowper in Jakarta

sanctions imposed after the invasion of Afghanistan.

Figures released by the \$3,604m in 1979.

The fall was almost agricultural exports grain embargo.

Mr. Leonid Zamyatin, the chief Kremlin Press spokesman, said at the weekend that the blame for the fall in U.S.-Soviet trade "can be placed firmly on the U.S."

He indicated the Soviet Union was ready to expand trade ties with the U.S. and said, "The U.S. is wasting time, resources and good economic opportunities by resorting to embargoes."

Soviet meat production fell 3 per cent in 1980, compared with 1979, largely because of feed shortages which were partially caused by the U.S. grain embargo. There were reports of severe shortages of meat and milk products in areas of the Soviet Union.

Mr. Valentin Mesyats, Soviet

Agriculture Minister, acknowledged vesterday that serious faults existed in Soviet agriculture, and he called on other government ministries to increase their support for the farming sector.

Meat and milk production in the Soviet Union expected to decline further in the coming months and there was considerable interest on the future of the U.S.-Soviet grain purchase agreement which provided for guaranteed Soviet grain purchases of 8m tonnes year for five years, but

which runs out in September. Mr. Zamyatin indicated on Friday that the Soviet Union was prepared to negotiate a new grain agreement with the U.S., but so far no negotiations

Japan small computer makers in U.S. drive

Mr. Mesyats, in his speech, said that priority had to be given in the Soviet economy to increasing grain and fodder production in order to reduce shortages of meat, milk and other basic foodstuffs. There seemed little likelihood, however, that this could be done

in the near future. The U.S.-Soviet trade figures showed that U.S. imports of Soviet goods mostly minerals and metals also fell in value last year to \$453m from a

value of \$873m in 1979. Trade turnover between the two super-powers declined 56 per cent to \$1.9hn last year from \$4.4bn in 1979 and the U.S. surplus in Soviet trade was cut by 61 per cent to \$1.1bn last year from \$2.7bn

UK exports to Iraq up 60% to £322m

By Mary Frings in Bahrain

BRITAIN increased the value of its exports to all Arab Gulf states except Bahrain during 1980, according to figures released by the Arab-British Chamber of Commerce.

British exports to Iraq showed the biggest jump of 60 per cent, to a total of £322m, machinery and transport equipment accounted for about half. But imports, almost exclusively oil, rose 35 per cent in value to £532m, leaving Britain in deficit.

There was also an unfavourable trade balance with Saudi Arabia, where the value of imports, again mainly oil, increased 72 per cent to £1.9bn, while exports rose only 17.6 per cent to just over £1bn.

Britain also bought more oil from the United Arab Emirates, so that her import bill rose 10 per cent to £486m. The value of exports rose 3.8 per cent to £502m.

In contrast, there was a 12 per cent drop in imports from Kuwait, to £655m, exports at £259m were still a long way behind despite an 11 per cent

Exports to Oman were quoted at £131m, up 0.6 per cent, to Bahrain £116m, down 6 per cent, and to Qatar £102m. marginally up. The trade balance with these states is heavily in Britain's favour.

British exports to the Arab world amounted to £3.8bn, an increase of 15 per cent, against imports of £4.3bn, an increase of 38 per cent.

In 1978 and 1979, Britain recorded a surplus in its trade with Arab states.

U.S. trade with Russia falls 58%

SOVIET officials expressed renewed interest in trade with the U.S., annual trade figures showed that the value of U.S. exports to the Soviet Union fell 58 per cent last year in the wake of trade

U.S. Embassy showed that American exports to the Soviet Union had a value of only \$1.5bn (£652m) in 1980 compared with a value of

entirely accounted for by a decline in the value of U.S. \$1.1bn last year from \$2.8bn in 1979 as a result of the U.S.

business and personal com-

puters.

BY RICHARD C. HANSON IN TOKYO A NUMBER of Japanese com- Japanese industry intends to their first major assault on the SBC field, a market usually defined as systems costing well under \$5,000 each which can be growing U.S. market for small

Sharp Corporation, a leading maker of business machines, said it plans to start selling SBCs, as they are called in the industry, through its wellestablished network in the U.S. Meanwhile, the intriguing

posibility has emerged that the home electronics giant, Matsushita Electric Industry, will provide small business computers to IBM. IBM would apparently sell these in the U.S. under its own brand name, an arrangement similar to one which it recently

supplies of plain paper copiers. Sharp and Matsushita, however, represent what appears to

made with another Japanese

company-Minolta Camera-for.

used by small businesses or in

Other Japanese companies say they are still drawing up export plans. Meanwhile, they are benefiting from considerable growth in the domestic market, where sales this year are expected to rise 25 per cent to about 35,000 systems.

A strong home market for a new electronics product has traditionally been a key factor in the success of Japanese exports to the U.S. and Europe. Japanese companies actively involved in developing SBCs also share a clear size advantage over the smaller U.S. companies which dominate sales.

Sharp, which started late in be just the tip of how the SBCs, will utilise about 700 of companies planning to be in- in the U.S. under its own name.

the more than 1,000 sales out- volved in SBCs, which are also panies appear set to launch challenge the Americans in the lets it has in the U.S. to sell a likely exporters, include Nippon PC3000 series of "personal computers" costing \$5.000 each.

About 2 year ago, Sharp started itself in the field of small computers with a machine

A strong bome market for a new electronics product has traditionally been a key factor in the success of Japanese exports to the U.S. and Europe.

The Japanese companies actively involved in developing SBC also share a clear size advantage over the smaller U.S. companies which dominate sales.

non-business purposes, which is ordinary accounting and busisold overseas. The list of other Japanese

(NÉC), Toshiha about Hitachi, Mitsubishi Electric and others. Matsushita is remaining silent

about the approach made by IBM on small computers. It is known, however to have provided IBM with certain items in the past on such a basis, reportincluding terminal displays. If released, it would appear to

be the first instance of a Japanese company making small computers for sale under another brand.

presumably the same one that Matsushita is planning to sell in Europe — which will sell for Y2m-3m in Japan — capable of used mostly by hobbyists for performing a number ness functions. It so far has no

The system being discussed is

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CREDIT SUISSE (BAHAMAS) LIMITED

NOTICE TO THE HOLDERS OF THE 41% US\$ CONV. DEBENTURES 1976-1991

(V.No. 643 025) AND THE 44% US\$ CONV. DEBENTURES 1979-1993 (V.No. 643 026) OF CREDIT SUISSE (BAHAMAS) LIMITED In compliance with the Trust Deeds constituting the above-mentioned Debentures. Notice is hereby given that the Board of Directors of Credit Suisse will propose to the General Meeting of Shareholders to be held on March 24. 1981—subject to the necessary approvals—that the present share capital of S.Fr. 1,335 million be raised to S.Fr. 1,500 million by the issue of 284,000 bearer shares of S.Fr. 500 nominal value each and of 230,000 registered shares of

S.Fr. 100 nominal value each. It is proposed to offer for subscription:

anti-dilution clause.

by the holders of existing bearer shares: one new hearer share of S.Fr. 500 nominal value, entitled to the 1981 dividend, for every 20 hearer shares, at a subscription price of S.Fr. 750 per new hearer share and one subordinated bond of S.Fr. 1,000 nominal value with one warrant attached for every 20 hearer shares. Each warrant entitles the holder to subscript for one hearer share at a subscription price of S.Fr. 2,000. The subscription right may be exercised from July 1, 1981 through June 30, 1984. The warrant carries the herefit of an entitle filtred process.

by the holders of existing registered shares:

—one new registered share of S.Fr. 100 nominal value, entitled to the 1981 dividend, for
every 20 registered shares, at a subscription price of S.Fr. 150 per new registered

share and 20 registered shares. Each warrant entitles the holder to subscribe for one registered shares at a subscription price of S.Fr. 400. The subscription right may be exercised from July 1, 1931 through June 30, 1984. The warrant causes the benefit of an anti-dilution clause. one subordinated bond of S.Fr. 200 nominal value with one warrant attached for every

anti-dilution clause.

70,000 bearer shares of S.Fr. 500 nominal value each will be issued at par and are intended to serve for the procurement of further funds at a later date. Holders of the existing bearer and registered shares will be invited to renounce their pre-emptive rights to such shares. Holders of the 41% US\$ Convertible Debentures 1978-1991 and of the 41% US\$ Convertible Debentures 1979-1993 of Credit Suisse (Bahamas) Limited who do not elect to exercise their right of conversion will be compensated for the loss of the subscription rights by a cash adjustment as described in the Terms and Conditions (reduction of the presently prevailing cash payment of US\$ 475 per Debenture of the 1978-1993 issue and of US\$ 28 per Debenture of the 1978-1993 issue respectively, in case of a conversion by an amount equal to the average of the last paid daily prices of subscription rights as described above and expected to be traded on the Zuirich Stock Exchange from March 30-April 9, 1981 and converted into US\$ at the US\$/S.Fr. exchange rate of April 9, 1981.

Holders of Convertible Debentures wishing to convert their Debentures in order to exercise

Holders of Convertible Debentures wishing to convert their Debentures in order to exercise their subscription rights. are invited to do so by lodging a duly completed Conversion Notice their subscription rights. are invited to do so by lodging a duly completed Conversion Notice together with the complete Debenture(s) and a cash payment of US\$4.75 per one Debenture together with the case of the issue of in the case of the issue of in the case of the issue of in the case of the issue of 1976-1993 with Credit Suisse Zurich Department Wke, by Friday, March 13, 1981 at the latest 1979-1993 with Credit Suisse Zurich Department Wke, by Friday, March 13, 1981 at the latest Shares delivered upon conversion will not be entitled to the dividends in respect of the 1980 conversion will not be entitled to the dividends in respect of the 1980 conversion.

ealendar year, payable in April, 1981. No Convertible Debentures can be lodged for Conversion during the period from Saturday, March 14, 1981 to the publication of an additional Notice in regard to the adjustment of the Conversion Price; it is expected that such Notice will be published in this newspaper on Taursday, April 16, 1981.

March 2, 1981 CREDIT SUISSE (BAHAMAS) LIMITED

CREDIT SUISSE

** For both the share issue and the issue of bonds with warrant attached

Japan Air Lines. 8 Hanover Street, London WIR ODR. Tel: London: 01-629 9244 (Reservations: 01-408 1000). Birmingham: 021-643 1368. Manchester: 061-832 2807. Glasgow: 041-221 6227. "Subject to availability on the Polar and Transpacific routes at an additional charge.

sources

By Jason Crisp

PRESTEL, Britain's viewdata system, must redefine its function if it is to become commercially viable, according to a report published

It should become a networking system which enables the user to gain access to information which is held on private viewdata systems and other computer data bases rather than trying to be a major source of information itself, say consultants Urwick-Nexos. Private viewdata systems can provide much greater and more up-to-date information than Prestel can.

Prestel, which was developed by British Telecom, allows an adapted television to be connected to a computer via a telephone line. It was originally intended for the domestic market, but the price of sets proved promajority are used in business. More recently Prestel has concentrated its marketing on

The orientation of its information towards specialist busi-ness uses is hampered by the physical limitations of the system. There are not enough pages, nor can information be found quickly to satisfy the specialist business user.

The report says that as soon as there are a large number of users for a service its limitations become apparent. An alternative supplier is likely to enter the market a private viewdata system.

.If Prestel users cannot gain access to other data bases, private viewdata systems might outstrip it in the near

There are signs that Prestel is already adopting some of the suggestions in the report. Last month it announced it is to introduce a new service developed in West Germany which will allow Prestel to act as a "gateway" for other

The Future of Prestel-through the gateway, by Emma Bird, £6.50 from Urwick - Nexos, Clare House, The Broadway. Farnham Common, Slough.

NEB invests £265,000 in computer project

capital projects with a £265,000 investment in two former IBM employees-one of whom is 26 years old-who have developed a powerful small "personal"

Californian venture capitalist, small to identify and help develop high technology companies in assisted areas through Anglo-American Venture Management jointly owned by the NEB and

It has access to the NEB's Anglo-American Venture Fund

BY MAURICE SAMUELSON

HOPES for a smooth transfer of

the Southampton television centre used by Southern Tele-

vision for 22 years were dashed

yesterday with the news that it

had refused the terms offered by

TVS, the consortium taking

over its franchise at the New

TVS, whose chairman is Lord Boston of Faversham, a Labour

peer, immediately assured the

600 staff it will inherit from

Southern that their future

would be secure and said it was

loking at a site for new studios.

It added that it would defi-

nitely start broadcasting as

TVS won Southern's franchise

at the end of December, when the Independent Broadcasting

Authority also withdrew that

BY ANTONY THORNCROFT .

TWO ryoshi bunko boxes,

lacquered in gold, given by Prince Fushimi of Japan to the

fifth Duke of Montrose in 1907,

were sold by the present Duke

at Sotheby's Belgravia yesterday

for £4,600 and £3,200 respec-tively. The Galérie Thierry of

Paris bought the first lot and

the London dealer Woods

Wilson the second.

held by Westward Television.

planned from the start of next

Southern Television

in takeover clash

The first investment is in Positron Computers in Hayomputer.

Last November, the NEB re- formed in 1979 and its two cruited Mr. Jack Melchor, a founders have developed a Californian venture capitalist, small "personal" computer which will be sold, at first to secondary schools.

The first computer, the Positron 9000, will become available in June this year and will cost about £1,000. Peripheral equipment such as a printer, memory and a video

eager to discuss details of the

talks, which broke down at the

weekend. Southern, of which

Associated Newspapers is a

leading shareholder, was under-

stood to hope for something

well iver £10m.

TVS decided it would be better off building new pre-

mises, and pointed out that the

bok value of Southern's assets

after depreciation was £6.8m in

Southern replied that it had

been ready to sell its main assets at a fair price, but that

TVS's proposals were "unrealistic and unacceptable," Nego-

tiations had therefore ceased. It refused to say what it

would do with the studios once

It has been suggested that

they could turn them into a "facility house" to make pro-

grammes for the Fourt TC chan-

A Seiden ivory girl dressed

in a gold kimono, made in the late 19th century, went for £2,500, and a large Mitsuyuki

sea-ivory egg-tester, 50 cm high,

A Berlin plaque painted by Kreiemetter after Rubens sold

for £3,200 to the London dealer

Duncan Smith at a Christie's

ceramic sale.

made about 1900, for £2,200.

they stopped broadcasting.

October 1979.

Accusing each other of being nel, or renting studio space to unrealistic, neither side was other producers.

Japanese gilt boxes sold

THE NATIONAL Enterprise which has £2m to be used as screen will be extra. One Mr. Peter Loftus, 38, who set would come from private St. Helens.

Board has begun the first of its seed capital in setting up of the attractions of the up the company, will hold 50 sources.

Mr. Plinst "California style" venture potentially fast growing com-educational market is the per cent of the ordinary shares. The fund expects to announce Anglo-Americans

The Positron computer can be extended to allow up to 32 users at one time. It also can also be linked to other much larger computers and connect with British Telecom's Prestel service.

The company intends to sell the computer to the business market in about 18 months when has developed sufficiently sophisticated computer programmes.

Scheme

for canal

continues

Transport Correspondent

THE £10m scheme to improve

the South Yorkshire Canal

Britain's first major canal

development for more than half a century, is continuing and the canal is expected to

open for traffic in the last quarter of 1982, the British

Waterways Board said yester-

The state-owned hoard said

the work was going on "apace"

despite the strict external

finance limits imposed on its activities by the Government

The board originally called for £39m as its finance limit for

1981-82, then revised it down-

wards to £34.5m and was finally allowed £31.7m by the

Government, compared with £30m for the financial year ending this month. The £30m was 10 per cent les than the

The scheme is designed to

allow barges of up to 700 tons capacity to travel from the

Humber estuary inland to

Rotherham, where travel is

now restricted to barges of 90

The present annual through-

put of freight traffic on the

waterway of more than 300,000

tonnes is expected to be in-creased to more than 1.7m

The journey between the

port of Goole and Rotherham by the BWB's push-tow harge

trains is expected to be cut

by 11 hours when the com-

pleted scheme is opened

BWB asked for.

By Lynton McLain,

potentially fast growing com-panies mainly in the electronics and computer fields.

educational market is the per cent of the ordinary shares. Government drive to have a The remaining 50 per cent is computer in every secondary held by the Anglo-American Fund and by Mr. Jack Melchor and Mr. William Parker, who have small personal investments in the company. The fund also holds a number of redeemable

preference shares. Positron Computers expects a turnover of £2m-£3m by the third year of operation. Accordtor of Regional Affairs at the NEB and a board member of the fund, Positron Computers approached several Mr. Peter Plinston, 26, and finance within two years which

next five years.

The deal, expected to be

of 3,400 workers at the Stoke

future of the Stoke factory, where around 40 per cent of the

labour force has been depend-

ent for several years on manu-

facturing components for the

Paykan car, assembled in Iran.

supplying kits for 100,000 cars

Hunter model, Talbot may

supply components for the

Avenger, which is due to be

of Talbot, planned to supply additional kits to Iran from

shelved, following the political

upheavals in Iran last year.

BY ELAINE WILLIAMS

food industry's figures.

sumption.

BRITAIN spent nearly £500m

on petfoods last year—an in-

crease of about £60m compared

with 1979, according to the pet-

This makes the UK the lar-

gest market for petfoods in

Europe, accounting for about 40

per cent of total European con-

Those plans were

France.

The new deal would involve

Trade with Iran is vital to the

engine plant, Coventry.

The fund expects to announce another two or three venture capital investments in the first half of this year. To date, it has looked at about 40 " reasonable prospects."

Dr. Denis Oliver, a director of Pilkington, has been appointed to the board of the Angle-American Venture Fund.

Mr. Plinston and Mr. Loftus ing to Mr. Arthur Ward, direc- first approached the NEB last October before the fund had been announced. They also should need second stage organisations, including Rainford Venture capital at nearby

unemployment has more than

doubled over the past 12 months,

The Talbot trade unions are

worried about the future of

Stoke, which supplies engines

for the Sunbeam and the Avenger assembled at Linwood.

They hope work will be pre-

vided at Ryton early next year if

Peugeot decides to manufacture

the Horizon model at the

The Horizon is at present

assembled only at Poissy, in

assembly would boost sales in the fleet market, where cus-

the company that new manning

levels and work practices intro-

duced last week will lead to

industrial relations problems.

producer, said in a survey pub-

half the 18m homes in Britain

industry has managed to boost

he trend towar

own a pet.

lished yesterday that almost

In spite of the recession the

tomers tend to buy British.

Coventry assembly plant

Talbot confident of

TALBOT UK is confident of disruption if there are further

winning a £750m contract to economic troubles, would be

supply cars to Iran over the welcomed in Coventry, where

a year, worth £150m. In assembled only at Poissy, in addition to the Paykan, the old France, but Talbot believes UK

A five-year contract for but so far production has not Talbol, though clearly subject to been disrupted.

Petfood market grows

£750m Iran order

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

agreed in the next few weeks, to over 11 per cent.
would help safeguard the jobs
The Talbot trade

Mr. Plinston said they found

Anglo-American Venture Fund's orientation to its strong con-tact with the U.S. and willingtact with the U.S. and willing protest? help attractive. Before it received the venture capital the company had been helped by St. Helens Trust and Pilkingtons in developing the prototype of the computer.

Both men visited Mr. Melchor in California-at their own expense—as they wanted to see how other similar companies had developed there as well as seeing if there was a potential market for their product.

Republicans call off 'dirty

By Our Belfast Correspondent

MORE THAN 400 Republicaps in the Maze prison in Northern Ireland yesterday called off the "dirty protest" after three years.

The prisoners in the Maze, Armagh jail, said they were changing tactics to focus attention on a new hunger strike for political status.

Mr. Bobby Sands, 27, the only prisoner to refuse food so far, is now on the third day of his fast. Other prisoners may join him this

The Republican prisoners will continue to refuse to wear prison clothing. They spend their day with only a

walls with their own excreta. The Northern Ireland Office welcomed their move and said it hoped that in the light of "the Government's humanitarian approach" to improving prison conditions that other forms of protest

would also end.

However, there is no sign of a solution to the dispute over political status. A pre-

Since then, the prisoners claimed that the Government was blocking progress and their renewed protests have culminated in the latest

BRITISH Caledonian Airways

One of the NOB's problems is how to deal with the market weakness created by the reces-

In the home heating sector,

hoping to re-introduce its practice of specially reducing prices to domestic consumers during the summer. Sir Derek said the NCB had

started talks with its largest customer, the Central Elecreplacing imported coal with NCB output. But the CEGB, which does

said later that it had not received any formal approach on this from either the NCB or the Department of Energy.

Sir Derek noted that British coal exports will have nearly doubled in the financial year to March 31, reaching about 4m tonnes.

Depressed prices have made this business upprofitable but the Board aims to substantially increase the volume of sales in

NCB plan for coal

By Martin Dickson, Energy

THE National Coal Board and mining unions are drawing up detailed proposals for a Government scheme to encourage in dustry to convert from oil-fired

boilers to coal.
Sir Derek Ezra, the NCB chairman, said yesterday that the proposals would be sub-mitted to the Energy Depart-ment as part of the tripartite talks between the Government, the Board and the unions following last month's threat of miners' strike The tripartite talks, designed

to help the NCB weather the recession and avoid major pit closures, are to resume on March 11.

The Government is also conwith the planned closure of the Linwood factory, Scotland.

Peugeot, the French multinational, before its acquisition of Talbot, planned to an acquisition response to the Horizon. sidering an EEC scheme under which low interest rates might be available for boiler conver-Sir Derek told a meeting of

the Coal Industry Society that support for conversion was advocated by the EEC and was caried out by other governments. There was a big potential in

Britain for conversion, but be-

cause of the recession industrial

consumers were finding it difficult to raise the necessary capi-

there is strong price resistance among oustomers. The NCB is

sales by about 14 per cent. Pedigree Petfoods, which employs about 2,500 workers in the UK, say the incresae is due partly Mars group and the largest UK foods for human consumption.

not want to eliminate imports,

conversion

blanket to cover their bodies. During the dirty protest they had refused to slop out their cells and had fouled the

vious hunger strike ended on December 18 when a com-promise appeared to have been reached over whether prisoners could wear their own clothes.

hunger strike.

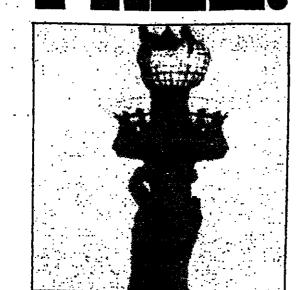
British Caledonian denies Ansett link

vesterday denied suggestions that it was planning any link, financial or otherwise, with Ansett Airlines of Australia, owned by Mr. Rupert Murdoch, to fight for the London-Australia air route. No such talks have been held, and no talks are planned," said British Cale donian.

The reports had suggested that British Caledonian, which has applied for cheap-fate flights between London and Australian cities, was plantring a joint approach with Ansett in competition with Laker. Qantas and British Airways. The public hearings on the applications are progress by the Civil Aviation Authority in London, and will be followed by hearings in Australia.

Saab raises prices

SAAB yesterday raised its car prices for the first time since March last year. The increases average 4 per cent. The cheapest Saab, the 99 GL two-door saloon with manual transmission, now costs £5,496, including taxes, up from £5,275. The 900 Turbo five-door hatchback goes up from £10,750 to £11,495.



It's something you've got to speak out for, and fight for. Trouble is, too many of us take freedom for granted and allow our most precious heritage to slip away, a piece at a time. So if you really want to revitalize America; begin by revitalizing one

of America's basic freedoms: Speak out for free enterprise. After all, it began here. But it could also end here.

Free enterprise companies in insurance, real estate and management services with assets of \$2.7 billion. 919 Third Avenue, New York, New York 10022. Reliance Group, Incorporated.



Imperial Tobacco revives

of the cigarette price war.

Imperial, whose brands in ber. clude John Player and Embassy. Jo

IMPERIAL Tobacco has re- the market share is due to the gained some of the market success of John Player Special share it lost in the early stages King Size which was launched on a national basis in Novem-

clude John Player and Embassy. John Player Special is now said yesterday that it now had the second most popular about 541 per cent of the total cigarette brand in the UK with cigarette market. A year ago its about 11 per cent of the market. share was about 51 per cent. The most popular brand is still Much of this improvement in Benson and Hedges Gold

RAF closure 'was forced by CB interference' Home Office. Whole streets of TV sets were being blacked

AN RAF station has been forced to close down its pilot guidance system because of interference from Citizens Band radio, a court was told yesterday.

Gwent police headquarters in Cwmbran had to go off the frequency on one occasion and fire and ambulance services were being affected. Cardiff stipendiary magistrates heard.

The RAF station bit was at St. Athan, Glamorgan, said Mr. Anthony Hopper, for the

band radio in the U.S. began to

By comparison, radio tele-

Sales of sets using 930MHz

is reasonably cheap - which

two years, after which sales will

UK manufacturers wanted the

The UK market for CB radios

fall sharply.

and commercial vehicles in the UK costs £300 to £500, says Pye

Telecommunications, a

out by CB, he added. Prior to 1980 the Home Office received about 10 or 12

complaints per three month period, but now it was 5,000, Mr. Hopper was prosecuting

25-year-old unemployed coach-builder, Mr. Anthony Dimech, of Paget Street, Cardiff, who pleaded guilty to installing and operating an unlicensed transmitter-receiver in his car. He was fined £300 with

Plans for Citizens' Band radio criticised

BY JASON CRISP

manufacturers and users.

It seems unlikely there will be any significant UK manufacand Japan. Cheap sets began ture of the legalised CB sets. pouring into Britain in 1978 as There are also warnings that the mid-1970s boom in civilizens There are also warnings that the illegal sets will still flood, into the country, increasing the risk of interference to televisions, hospital paging systems, phone equipment used in cars in husiness. In France, where Atlantic. aeroplanes and other radio equipment. William

Last week Mr. Whitelaw, Home Secretary, said sidiary of Philips. Post Office Citizens Band radio would be radiophones cost over £1,000. legalised on 27MHz and 930MHz frequency modulated (FM), are likely to be low as they will Most sets used in this country, cost several hundred pounds which operate on 27MHz ampliand have limited range. Convertude modulated (AM), will sion of 27MHz AM sets to FM

Several UK companies have means UK manufacturers would declared a tentative interest in be unable to compete with marketing Citizens Band radios foreign companies. including GEC, Philips, Fidelity The initial market for CB Radio, Ambit and Voxon. But sets in the UK is seen as large, any company, entering the UK with estimates varying from market is likely to import from 1m to more than 2m sets a year, the Far East or the U.S. follow- The boom is expected to last ing the Home Office decisions on the wavelength.

However, a small British electronic systems company. Blakell- Government to opt for a fre-Parfitt, believes radios will be quency of about 41MHz - used manufactured in the UK in spite by black and white television of the spare capacity in the U.S. sets with 405 lines. Although and Japan. Blaken-Parfitt has the sets would have been dearer talked to several UK companies than the proposed 27MHz it about setting up full production would have had good quality facilities for CB radio. It claims and given UK manufacturers a a set using both legalised fre-chance to start on a more equal quencies can be made in the UK footing with foreign companies. to retail at less than £180 and a set could be made with just is estimated at about £50m a

GOVERNMENT plans to 27MHz to retail at £85.

legalise Citizens Band radio
this autumn are coming under
this autumn are coming under
strong criticism from both UK

to retail at £85.

year initially. According to one 27MHz FM has been legalised, company good quality 27MHz the great majority of CB users
FM sets imported from Japan still operate the illegal AM
the UK, operating on 27MHz

cost about £32 landed in the sets. AM. The sets cost £60 to £100 and mostly come from the U.S. which would retail for In order to compete with the less than £60.

legal FM sets the AM sets will Mr. James Bryant, president be sold with more powerful of the Citizens Band Associa- "knear amplifiers" which boost tion, is highly critical of Government plans to keep 27MHz
AM illegal. It will, he says,
ensure that the saugglers stay can sometimes cross the

> Breakfast TV is here already with the new

TELETEXT

See them at

mde oflig

COMPANY

British Aerospace

British Aerospacet

Reyswitch Variey

Racal Electronics

Sunbeam Electric

uasa Denchi

Daimler-Benz

H & R Johnson-Richards

Major planned and firm investment projects in the UK announced during Jan. and Feb.

LOCATION

Not decided

Dundee

S. Wales

Prestwick

Edinburgh

S. Wales

Various

Woolwich, London

E. Kilbride, Scotland

Chester

Staffs.

£400m (not confirmed) Nigg Bay, Scotland

INVESTMENT

£200m-£300m

£500m-£600m

£20m

£8m

No details

Camden accused of waste, profligacy and inefficiency

Hay don Re-the Maze prod free dirty bear years.

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its rate rise for 1981-82 being sented before March 31. rejected tomorrow in the aftermath of a report accusing the borough of incompetence, waste, profligacy and mismanagement.

the domestic rate by 45 per cent to 163p in the pound and the business rate by 37 per cent to Environment Department for the review of housing finance. take the average domestic bill

The far Left-wing members of the Labour controlled council are expected to vote against the rises on the grounds that they are too low and mean the loss

The Conservatives, however, about 2m. think the rises are too steep. They were considering abstaining because of the cuts proposed but in view of the damning report on the council's affairs they are also likely to vote

If the Left and the Tories

highest average rate bills in the crease will be stopped and will nomous. country, faces the possibility of have to be reviewed and repre-

The report - "The Cost of Camden"—was commissioned by the Camden Commercial Rate-The council wants to raise by Mr. Alex Henney, a former lucal authority chief housing officer who was seconded to the He is now a consultant.

He says Camden spends more per head at £462 a year than any other London council and has 40.4 workers per 1,000 population. If every council were staffed at that level there would of some jobs and some service be 3.25m council employees in England and Wales instead of

Camden has such a high rate base that it receives all its income from ratepayers (24 per cent from domestic and 76 per cent from commercial). It will also get about £10m from the system of redistributing rate orong inner London income among inner London boroughs. This means the council gets no Government

CAMDEN Council, with the rence but possible—the rate in grant, making it virtually auto-

The report identified areas where savings of between £11.5m and £16.5m could be made in six departments — principally bousing. The other five departments are building, architects, planning, leisure services and development.

The report says that in spite of spending the third greatest amount of capital on housing of any city or borough the council's housing policy has been wasteful and inefficient

The council built some of the most expensive council homes in Britain at Branck Hill where 42 homes cost £176,000 per unit (1980 prices).

The housebuilding programme makes such slow progress that the waiting list has become un necessarily long and the council also takes an average of up to three years to renovate and refurbish homes. At the end of the last financial year more than 2,000 council properties were

empty. Mr. Roy Shaw, leader of the council, was not prepared to

GLC emphasises housing improvements

THE SALE of more than 16,000 council homes in London forms part of a marked change in the capital's housing provision, Mr. George Tremlett, leader of the cause the council had become Greater London Council housing policy committee, said yes- tenants' needs."

The GLC's homesteading improvements scheme and the transfer of many of its estates to boroughs and district councils were other aspects of policles introduced in the last four years to stop London "bleeding! to death" as young people

on achievements since May 1977, Mr. Tremlett said GLC estates were transferred be-"remote and insensitive to

"The council's homes eading scheme reached its objective of 1,000 homes being homesteaded by Christmas 1980 with a further 500 waiting to proceed. The sale of council houses

is a main objective and at February 1, 1981 the GLC had sold 16.340 dwellings, producing ties and dealt with a surplus of £76m which will criminal law cases.

In a report to the committee benefit the rate fund and help reduce the outstanding capital debt." says the report.

Squatting had scandal by 1977 with 1.800 GLC properties squatted. Following the 'squatters amnesty' intro-duced in November, 1977, 5,500 people occupying 1,450 properties registered with the council and by June 1978 the number of properties squatted was down

"The GLC squatting unit has re-possessed some 2,600 proper-ties and dealt with about 100 Assisted areas have an allure for overseas manufacturers, writes Lisa Wood

SECTOR

telecommunications

petrochemicals

aerospace

gerospace

electricals

batteries

vehicles

† Disclosed in British Aerospace prospectus.

electronics

domestic appliances

tilles

Timex (for Sinclair Research) consumer electronles £5m

Expansion plans will use regional aid to create jobs

jobs has disappeared since mid-1979, and industry-based surveys suggest job losses will continue to grow.

Although the daily tally of redundancies sometimes reads like an obituary for whole sections of UK manufacturing industry, there is another side to the picture. Among the major investment plans announced in the first two months of the year, several involve overseas companies building manufacturing plants in the assisted areas and thereby benefiting from the various forms of

regional aid. Product groups covered by these investments include electronics, aerospace, petrochemi-

cals and vehicles. Nissan, the Japanese car manufacturer, plans to invest between £200m and £300m in

a new plant in the UK.
The location of the 800-acre greenfield site needed for the plant, which would be the company's most substantial overseas investment, has not yet been announced but will almost cer-

tainly be in an assisted area. • Daimler-Benz's UK subsidiary is to invest a further £30m by mid-1980s to consolidate and improve its position in Britain's commercial vehicle and car markets.

Capital spending this year will cover the final stages of a distribution centre at Harwich, the redevelopment of a big site at Brentford for retail and service facilities and a new denot to replace the existing one at Wakefield.

• Mitel, the Canadian telecommunications manufacturer, plans to build its £32.5m headquarters at Caldicot in Gwent-representing a further substantial investment by an overseas company in an

The plant, which will manufacture electronic switchboards. Airbus in which it has a 20 per and integrated circuits, will eventually occupy 250,000 sq ft. By 1984 it is expected to employ

feeder aircraft. In both cases, build a £1m factory near 1,700 people and this could rise

Production is expected to by the end of 1984. begin in temporary premises next month, and under the stage of the development 1,300 jobs will be created. In addition to substantial grants available under regional

development aid. Mitel will ing arrangements. also receive a grant from the Welsh Office under the 1972 Industry Act. The company also expects to receive a £16m loan from the European Coal and Steel Community as it is setting up within a steel closure area. ■ British Aerospace will save 1,500 jobs and create a further 500 at Prestwick in Scotland production of the Jetstream 31

The Scottish Office will partly fund the £11m initial manufacturing costs for the first 13 aircraft with grants of about £3.5m under the Industry Act.

twin-engined light aircraft.

British Aerospace also plans to spend between £200m and £250m on the A-310 European cent stake. It also plans to invest between

80 per cent will have been spent Edinburgh to produce integrated by the end of 1984. Edinburgh to produce integrated circuits. The investment stems

• Sunbeam Electric of the U.S. plans to expand production of small domestic appliances at its factory in East Kilbride as a result of changes in its European administrative and market-

Output at the factory is expected to rise by about 30 per cent in the first half of this year and employment is to increase from 350 to 500. The plant will supply markets in Europe and the Middle East, many of which have been supplied from the U.S.

• Timex, the U.S. watch company, plans to make the world's first mass-produced flat screen televisions for Sinclair Research at its factory in Dundee. The £5m investment will be spread over four years and about half of the funds will come from

Government grants. Sinclair Research has said the project will employ 1,000 people before 1984, but it is unlikely that all of these will be new

£300m and £350m on its new 146 • Racal Electronics plans to

by Britain's largest tile maker, will reduce the workforce, which has fallen from 4,350 a year ago, directly from the company's by a further 10 per cent. takeover of Decca last year. The group needs substantial quantities of components for its electronics-based defence systems

1981

1984

1981

1981

1981

No details 2,000

No details 100

No details 150

No details 150

and airborne navigation aids. The project is expected to create 60 jobs and wil be partly funded by a £180,000 grant from the Scottish Economic Planning Department.

• Keyswitch Varley, part of facturing and services. Thorn EMI, is to build a £2.3m The plant would complex housing a factory, development laboratory and offices in Woolwich, East London. The complex, to be completed next year, will replace the company's two which employ about 270 people. It is expected to create about

100 jobs over the next few

vears.

tures electro-magnetic relays. • H. and R. Johnson-Richards will, however, shed jobs in an £8m investment to modernise three of its nine Staffordshire

 Dow Chemicals has approunced; detailed plans for a £400m on - shore petrochemicals

JOBS CREATED

4,000-5,000

No details

No details

1,300 rising to 3,000

(Loss of 380 jobs)

1,500 saved, 500 created

development at Nigg Bay in Scotland. The U.S. based group said its scheme, if approved, would create 2,000 permanent jobs plus 2,000 short-term construction jobs and another 15,000 jobs in ancillary manu-

The plant would use gas liquids from the North Sea as 1 raw materials for making petrochemicals, as would a rival scheme for building a petro-chemicals plant at Nigg which replace the company's two is being put forward by the UK-existing Woolwich factories based Highland Hydrocarbons. But it does seem almost cer-

tain that the British Gas Corporation will build a gas separation plant at Nigg plus a pipe-Keyswitch Varley manufac- line from Nigg to St. Fergus on the Scottish coast where the gases will be brought ashore. There will also be a gas ter minal at St. Fergus and, if the gases are piped south, a second factories which employ about onshord 3.800 people. Rationalisation built. onshore pipeline will have to be

for success in printing

By Alan Pike

RESULTS of a study to identify characteristics of successful printing companies, at a time when the British industry faces serious problems, are to be published soon by the National Economic Development Office. The investigation has been

carried out by the NEDC printing industries sector working party and the Printing and Publishing Industry Training Mr. Joe Hinde, chairman of

the sector working party, told the British Printing Industries young --- master printers' conference in Torquay at the weekend that successful companies adopted clearly defined profit and growth objectives and an appropriate marketing approach to achieve

"They do not sit back and wait for print buyers to beat a passage through a weed-infested path to the doorstep and then offer to meet their every need,"

The formula | Councils put | Electricity few bans on lorries

By Lynton McLain, Transport

LOCAL authorities imposed only a "very small number of bans" on lorries using certain routes on environmental grounds last year, the Freight Transport Association said yesterday after publishing an analysis of bans imposed in 1980.

A total of 254 new controls on lorriés were introduced in England and Wales last year. including 153 bans on lorries imposed by councils to improve the environment as permitted under the Heavy Commercial Vehicles (Control and Regulation) Act 1973.

The FTA, which represents 16,000 companies in industry and commerce, said the 153 bans on lorries imposed to protect the environment was a very small number. suggested that drivers of heavy lorries often had no " reasonable " alternative route to use, the FTA said.

prices attacked

By David Churchill, Consumer Affairs Correspondent

THE CONSUMER watch-dog for the electricity industry has criticised the 30 per cent rise in electricity prices over the past year.

Mr. Michael Barnes, chairman of the Electricity Consumers' Council, says in the council's annual report that "1980 was a very difficult year for consumers with two price increases, the second of which seems to have been largely unjustified."

Mr. Barnes says the second price increase was based on an over-estimate of fuel costs which will lead "to a considerable surplus being made by the industry in this financial year." But Mr. Barnes added that the area electricity boards should reflect those over-estimates in their 1981-82 tariffs.

The Council's report also calls for new performance indicators to be published, covering 15 aspects of the electricity supply industry's activities.

committe, chaired by Janet Middleton, a former member of the ill-fated Sasse underwriting syndicate. is split into two warring fac-

Mr. David Cromn, the honorary secretary. Mr. Patrick Thomp-son, the honorary treasurer, and Mr. Naim Dangoor, a committee member, are facing opposition from five other committee

March 11.

before Parliament to overhaul

and supporting a petition to membership may represent the amend the Bill, lodged by two main stream of opinion." Lloyd's underwriting members.

16,000 members who do not the association's 270 members side the powers of the commit-work at Lloyd's. canvassing for their support at tee which they say are limited a meeting of the association on only to an examination of the March 11.

Lady Middleton has told the Her opponents on the com-membership that she and her mittee have said in their own supporters believe a draft Bill letter "the narrow course of

improvements."

Both sides are offering them-"we have already achieved some selves for re-election and are seeking the proxy voting sup-

Lloyd's factions vie for support BY JOHN MOORE

to represent the interests of work at Lloyd's.

tions over policy.

Lady Middleton, supported by

The opposing members are

But, she says, "I have to port of the membership.

A FIERCE battle is taking place Mr. Richard Nesbitt, Mr. John to win the support of the members of the members of a new association at Jonathan Taylor, and Mr. Keith Lioyd's of London, which seeks. Whitten. Both factions have written to supporting the petition is out-

> mittee have said in their own opposition to the Bill . . . has self-regulating at Lloyd's "must not met with our approval, and be improved." a change of direction is now She says that by promoting called for in order that our

Ford 'may build Mazda cars'

BY JOHN GRIFFLIHS

FORD MOTORS might start Ebenezer, managing director of Mazda Car Imports.

that he was giving a personal view, was speaking at a presentation to dealers of new and face lifted models with which Mazda plans to attack the UK market within the next few

Mr. Ebenezer said Mazda currently regarded Ford as a prime target" in the UK and intended to take sales from the Ford Escort with its own new. Imports, a subsidiary of which 323 front-wheel drive car. But also imports the Polski Fiat he regarded further co-operation vehicles, is investing about tion between Ford and Toyo £12m over the next two to three Kogyo-the maker of Mazdas years. and in which Ford has a 25 per cent stake—as "inevitable."

manufacturing Mazda cars in already exist: Toyo Kogyo pro- Tunbridge Wells, due for Europe in the not too distant vides transmissions for the occupancy in late 1982 and says Mr. John Escort, a version of the Mazda costing £6m.
managing director 323 is being sold in Austral- The 323 go the U.S. as a Ford.

grated range of cars in about £400 Mr. Ebenezer made Europe, and it is difficult to clear that "highly competisee how such manufacture tive pricing will be a major could be undertaken without a plank of what he described as head-on market clash. Ford very UK firmly denied yesterday plans. that any such plans were in

prospect. Mazda : Meanwhile,

About £1m has been spent on a pre-delivery centre. We recognise that eventumainly for Polski Fiat, at Sheerwe recognize the control of ness; a f5m warehousing is my hope that the other ally a certain demarkation by ness, a completed by the end of this reduce the total share to the products," but in the longiterm, he suggested, both sides should year; and planning approval has just been given for a new

A number of joint projects, administration headquarters at

The 323 goes on sale in the Mazda Car Imports. asia as the Ford Laser and a UK in about two weeks' time.

Mr. Ebenezer, emphasising I ton pick-up is marketed in Prices start at about £3,700. which undercuts roughly But Ford bas a well inte- equivalent Escort models by aggressive marketing

> "It is a commonly held belief that Japanese cars sell themselves. We do not subscribe to that view. Nobody owes us a living."
>
> He said that with Japanese

> import restrictions to the UK on the horizon for the forefuture," seeable. expected to retain its market share of about 1 per cent.

The only 747's. The only non-stops.

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£306.00	£349.00		
New Orleans	Las Vegas		
£305.50	£310.00		

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neck of the woods, fly the Texas Express. It's the fastest-and you can save so much-there's really no other way that makes as much sense. For reservations contact your Travel Agent, or call 01-491 4631.



join move against

Thatcher pressed on deployment force talks with U.S. Labour councillors

A NUMBER of leading indus- the Prime Minister should have trialists in the U.S. share the given the U.S. on economic that there will be a pick-up in of this year, the Prime Minister told the Commons yesterday.

forecast when rejecting fierce the world recession with Presi-Opposition criticism of her exposition of the Government's leaders. economic and foreign policies during her four days of talks clear that a number of United in Washington and New York, which ended on Sunday.

to particularly intense interro- year, as, indeed, we hope and gation over the implications of her announcement that Britain would be prepared to contribute to a rapid deployment force for use in the Persian Gulf and other sensitive areas where Mr. Foot that its origins lay in stolity is threatened.

MPs—which were the first Labour Government at the same target singled out by Mr. level as the world price.

Michael Foot, Opposition Dealing with international

view of the British Government policy, if they were to be spared the humiliation now world trade in the second half being endured by Britain, was "not to follow her example." Mrs. Thatcher assured Mr. She stood by this bullish Foot that she had discussed

She stressed: "It is quite States' industrialists believe there will be an expansion Mrs. Thatcher was subjected during the second half of this

dent Reagan and other U.S.

believe that there will." The Prime Minister conceded that the questions raised by the recession were easier to pose than to answer, but reminded the increase in oil prices.

But it was her pronounce—As for the price of North ments on economic policy—not Sea oil, she recalled that that mentioned in he statement to had been fixed by the last

relations, Mrs. Thatcher identi-In contemptuous tones, he fied the recent remarks made by maintained that the only advice President Brezhnev about arms

opposition to the support which on the wrong side. the guerilla movement was

In one of the few passages to have learned," he declared. statement not deplored quarter and asserted that the people of El Salvador should be able to determine their own peacefully and democratically.

in the Persian Gulf to the pro- need for a capacity to meet any posal that Britain should parti- threat which arose in any part cipate in the creation of a of the world. rapid deployment force He insisted that the Prime

statements about it. underlined the great dangers that would arise if the U.S. ment with him at its head.

"That is truly the lesson of from external Vietnam which the Prime Minister herself does not seem

Mrs. Thatcher replied that the leader, argued that the apparneed for a rapid deployment Labour MPs, she explained that force had been discussed in Thatcher and President Reagan with Lord Carrington, the last year's Defence White would add to the worries of Foreign Secretary, she had con- Paper-so that in a sense demned violence from any Britain had been ahead of the allocation of resources-on both Defending the

against a further attack from Mr. Foot, she contended that people who were really con-Mr. Foot pointed to the cerned with the defence of the critical response made by States free world should recognise the

The Prime Minister scoffingly acknowledged that Mr. Foot Minister should have discovered might not wish to have such the likely reaction to the a capacity and told him that his development of such a force in commitment to unilateral disadvance of making public armament had led U.S. leaders to question whether the defence To Labour cheers, Mr. Foot of Britain and the West would nderlined the great dangers be safe under a Labour Govern-Mr. Foot maintained that the

served the interests of Britain better had she not gone to the United States and indulged in bellicose demagogy." Mr. David Steel, Liberal

ent accord between Mrs. would add to the worries of those concerned by the growing sides f the Iron Curtain-to

He maintained: "The way to defeat the march of Communism is not by giving aid and comfort to other totalitarian regimes such as those in El Salvador or in southern Africa but by demanstrating that a free democracy has superior values.

Amid Government cheers, the Prime Minister retorted that it was very alarming that the Liberal Party, too, seemed to be "retreating from our first duty-defending our own freedom and that of the Western Alliance."

Mrs. Thatcher taunted Mr. Steel with not having guts" to advocate dev

executive of playing "the leading role in destabilising and confusing" the Labour Party. Its members, he said, had "succeeded in tearing up-a sub-stantial part of the party's constitution and in tilting the carefully balanced distribution of

power" in the party.

The whole tenor of Mr. Shore's speech suggested that in some ways he thought the executive was as much to blame for the party's troubles as the Social Democrats. cent over his Conservative rival

In a speech which showed

tinue-even though the Social

Democrais have finally left

party extremists BY ELINOR GOODMAN, LOBBY CORRESPONDENT LABOUR COUNCILLORS yes ordinate the activities of Labour terday joined the fightback groups and to strengthen the against extremists within the influence of local government

Labour Party and pledged themselves to opposing the Left's will try to get a local governlatest plans for making councillors answerable to-local parties.

Labour's National Executive. -Yesterday after the council's They were strongly supported inaugural meeting, Mr. Jack by Mr. Peter Shore, Shadow Smart, its chairman, said he Chancellor and joint chairman shared Mr. Shore's views on the of the Labour Solidarity Camexecutive. It had failed to give paign at Westminster. He local Labour groups the support launched his most bitter attack yet on the party's National

they so badly needed, he said.
He attacked the Left's ideas
for increasing the influence of local activists over Labour councillors. If implemented that the internal arguments within the party are set to conthey would turn Labour councillors into puppets," he said.
The idea has been canvassed Labour-Mr. Shore accused the by the Left for some time and the Association of Council Groups fears that it will be raised at conference this year.

Mr. Shore claimed yesterny

that to raise this issue now would be "totally crazy." The idea of an association of-Labour groups was first mooted at last month's Labour local government conference. Since. it has gained the support of more than 100 Labour groups.

It will work in parallel to the orial Democrats.

Solidarity Campaign at West-minister and will try to underlaunch of the Association of mine the influence of extremists Council Groups, set up to co- within local parties.

Belstead defends police on immigrant spies claim

POLICE ARE asking foreigners living in Britain to act as spies and informers on alleged filegal immigrants, Lord Avebury (Lib.) said in

the Lords yesterday.
This was immediately denied by Lord Belstead, Home Office Under Secretary. During Question Time, Lord Avebury asked if the Government would look into claims that police had threatened a Turkish man, settled in the UK, to get him to inform on people suspected of being illegal immigrants.

offence." He said that tape recordings of conversations between the man and police

officers showed they were inviting him to assist by informing on illegal entrants.

Lord Avebury said people "were being invited to act as sples and informers." He said the Turk had made a com-

plaint against the police.

Lord Belstead said Lord Avebury had made a series of assertions "and I disagree with all of them." He saidthat it was not appropriate for the Government to investigate allegations against the police. He repeatedly stressed that

complaints should be made to the police. He said the Government was confident that the Metropolitan Police Commis-sioner was aware of the peed to strike a bajance between race relations.

The immediate challenge for

That election will not be con-

clusive—the turnout is normally low—but it will indicate whether

the Liberal momentum is being

about seeking a Social Demo-

the developing conflict and in were to intervene at the wrong Mr. Foot maintained that the particular made clear their time, in the wrong place and Prime Minister would have Havers says Contempt Bill Candidate named to fight Speaker's seat

BY ROBIN REEVES, WELSH CORRESPONDENT

Americans had

GOVERNMENT'S Con- larry driver, against whom tempt of Court Bill strikes the multiple murder charges bave right balance between the free been brought. dom of the Press and the need to uphold the integrity of the ments reported in that case was administration of justice. Sir in breach of the existing law Michael Havers, Attorney because at the moment the General, said in the Commons existing law imposes strict

strikes the right balance

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

liability The Bill stems from the initiated and they were initiated Phillimore Report on Contempt in that case," said Sir Michael. of Court and has been presented by the Government as an attempt to bring the law up to that if there had been a clear date. But its opponents main- breach of the law in the Yorktain it would place additional shire case, then no proceedings restrictions on the freedom to for contempt had ensued. report criminal cases.

The Bill makes strict liability there was an alleged breach of for contempt date from the time the law of contempt a final deciof arrest or issue of a warrant sion on whether or not to prorather than from the time of a secute was usually taken after charge. This is contrary to the recommendations of the Philli- wise gets the headlines all over

The legislation is also intended to ensure that the UK Lewisham West) said the Bill law conforms to the require- would result in the gagging of ments of the European Conven- the Press in the final resort. He tion on Human Rights following thought this was particularly the judgment of the European ironic as it had been the case Court in 1979 on the question of the Sunday Times and its -reporting of the thalidomide

Yesterday, during the second -Peter Sutcliffe, the Yorkshire custody.

"Anyone who made the comwhen proceedings are Mr. Stanley Clinton Davies (Lab., Hackney Central) said

Sir Michael, said that when the trial "because to do other-

again."
Mr. Christopher Price (Lab., of the Sunday Times and its thalidomide reports which had led to the introduction of the

reading debate of the Bill, Sir bull) said one had to be most Michael refered to the publicity careful to avoid unfairness surrounding the arrest of Mr. when an accused was taken into

has adopted a prospective parliamentary candidate to fight Cardiff West, the Commons seat presently held by Mr. George homas, the Speaker.

Thatcher: rejected fierce

Opposition criticism.

control as one of the aspects of Soviet policy which she and

President Reagan had agreed

Salvador, the Prime Minister

expressed their concern about

Turning to events in El

needed to be explored.

Mr. Stefan Terlezki, 53. a hotelier and local councillor, who opposed Mr. James Callaghan, MP, in the neighbouring Cardiff South East constituency in the 1974 general election, was formally endorsed by the local constituency association last night.

the next general election "is probably not yet known."

In recent years, the Speaker has often retired in the middle of a Parliamentary term, triggering a by-election. But Mr. Thomas, who has represented Cardiff West since 1945, said in 1979 that he proposed to stay on as Speaker, health willing, at least until the next

THE CONSERVATIVE Party mean the Conservatives were since of changing his mind. As a Labour candidate in planning to abandon their Indeed, although Mr. Thomas is October, 1974, Mr. Thomas had policy of not opposing the over 70, local Labour Party a majority of 6,672 or 18.4 per Speaker in general elections. It officials do not rule out his cent over his Conservative rival said the name of the Speaker at wishing to stay on for a limited period beyond the next election, given the required Parliamentary support.

But they hope to have a clearer idea of his intentions within the next few months, if only to know whether to select a new prospective Labour candidate for the constituency.

In the 1979 general election, Mr. Thomas stood as Speaker The party stressed that his general election.

and was opposed only by Plaid expected to benefit I adoption did not necessarily. He has given no indication Cymru and the National Front. rather than Conservative.

tuency boundaries may be amended before the next general election but these are

in a four-cornered fight.

Despite the solid majority,

the seat is not regarded as an

absolute certainty for Labour,

since Mr. Thomas is believed to

enjoy a particularly large

At the same time, the consti-

Government lifts BR's investment ceiling

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT THE GOVERNMENT has lifted the four years to 1983-84. This programme."

to allow work to start, ahead of BR's own plans, on improvements costing £27m to the rail service for air passengers between Victoria Station and Gatwick Airport.

British Rail's current invest-ment ceiling is £325m at 1980 survey prices, a figure which the Government originally Bill in the first place. Mr. Percy Grieve (Con., Soli- the intended to apply for each of

British Rail's investment ceiling ceiling will now be raised by £3m in 1982-83 and £9m in 1983-84, at 1980 survey prices.

However, as Mr. Norman Fowler, Transport Secretary, said in a Parliamentary answer in the House of Commons vesterday, "the priority vesterday, "the priority attached by the Railways Board vesterday.

Despite this, the Government believed that work should start on improvements to the rail link to Gatwick Airport in 1982-83, to help meet an expected increase in passenger were matters for the British numbers using the aiport. The Railways Board. The decision current capacity of the airport to this—rail link—project was although 8.8m passengers used "importance of the rail service insufficient to ensure it a place it in 1979-80, but the British to Gatwick airport in national within its existing investment Airports Authority wants to terms," Mr. Fowler told MPs

raise capacity to 25m passengers a year with a second terminal.

Up to now the Government about investment priorities to Intervene and increase BR's investment ceiling reflected the

He said the Turk "was twice held in a police station for quite lengthy periods although not suspected of any

Barry Riley looks at grassroots organisation in Richmond-upon-Thames

Biffen to face competition decisions this week

Secretary, has a clutch of competition decisions to make in the next couple of days. Yesterday the Department of Trade received the Monopolies Commission's report on the sugar industry, on which hangs S. and W. Berisford's bid for British Sugar Corporation.

Today—if the original timetable is adhered to he should receive another Monopolies report, this time on the Central Electricity Generating Board.

Within the next day or two Mr. Biffen is expected to make his decision on whether to refer the Commission the fore-

MR. JOHN BIFFEN, Trade Corporation for Davy Corporation, one of the UK's largest engineering concerns.

The Office of Fair Trading's assessment of that offer went to Mr. Biffen last week and was thought strongly to have recommended reference.

Mr. Biffen received two other studies from the OFT last week on the prospective bid from European Ferries for British Rail's Sealink cross-Channel ferry business; and BR's own proposals to merge its Seaspeed hovercraft service with that of

Hoverlloyd. A decision on whether these two will be referred is not shadowed bid by Texan Enserch expected for two weeks or more. position upon the basis of a ten-

SOCIAL DEMOCRATS eyeing acieus grassroots organisation, if a major national realignment the undoubted slightly left-of- using a community politics apost the centre and moderate Left centre vote potential of Rich- proach. Centre vote potential of Rich- proach.

mond-upon-Thames are likely to be told politely but firmly by the Liberals "hands off." At the national level, local Liberals agree, co-operation with the Social Democrats is desirableeven essential. But Richmond is theirs.

They have a strong case. Not so long ago a Conservative stronghold, the Richmond parliamentary constituency has been turned into a decidedly won a single seat on the Richmond-upon-Thames Borough Council, they have built their

their constituency could be offering a glimpse of the future. Thus the Liberal share of the

Liberals now hold most of the council wards within the Richmond constituency, though they are still outnumbered modestly on the council because the horough also takes in the heavily Conservative Twickenham just across the river.

More importantly, Mr. Alan Watson, the Liberal candidate, achieved a 2 per cent swing in his favour against the national Tory tide at the 1979 General marginal Tory seat. In the 22 Election, and trimmed the years since the Liberals first majority of Sir Anthony Royle. the sitting MP. to around 2,500. The labour candidate lost his deposit. Richmond Liberals argue that

vote in 1979 reached the 40 per cent mark about the level which recent public opinion polls have estimated for the combined Liberal/Social Democrat vote. Electoral support for the local left-wing Labour Party has collapsed: there are no longer any Labour councillors.

But Richmond is scarcely a proxy for the typical British parliamentary constituency. Rich and clegant-if sometimes a little tatty—it stands largely aloof from many of the national problems like industrial slump and unemployment.

Mr. Richard English, the Conservative agent, explains the steady rise of the Liberals in terms of population shifts. High property values have tended to squeeze out hte traditional Tory voters, who have been replaced by more transient professional

The latter's search for elegance could explain the local obsession with environmental questions. A mooted lorry ban at Petersham and a riverside redevelopment scheme are two of the current hot issues.

Such conditions have not favoured Sir Anthony Royle, a patrician figure whose Gloucestershire manor house is jeered at by the down to earth Liberals. Sir Anthony, MP since 1959, is stepping down at the next elec-

Mr. English strongly denies Liberal suggestions that Sir Anthony has been pushed out. "There is no question that he would have been re-adopted." he says. But he agrees that in selecting a new candidate. Richmond Conservatives are likely to be seeking someone with much more local appeal.

"Sir Anthony was ideal for us in 1959," Mr. Engish says. The fact that Richmond has changed out of all recognition since then is no fault of his." Even so the Conservatives

took nearly 47 per cent of the vote in 1979—against 43 per cent in 1974—and their real problem was that the opposition vote was much less split than in previous years. Paradoxically the eclipse of Labour is a dangerous trend for the Tories -which is why they are inclined to talk hopefully about what ideal territory Richmond would he for a Social Democrat intervention.

It is a point upon which Liberal candidate Alan Watson naturally has strong views. At 40. Mr. Watson is chief executive of the Charles Barker finan-



REALIGNMENT cial advertising agency, and

one of the youngish mediaoriented professionals strongly represented in the Richmond Liberal party. "If a mistake of that magnitude is made, the that magnitude is social Democrats will not get nationally," he

Alan Watson says he is not so much afraid for his own chances in the next election-The Social Democrats wouldn't get many votes in Richmond." he claims — as concerned that the chance of a route to political power might be missed. "I'm very much in favour of a realignment of British politics." he says. "It was Jo Grimond's theories 20 years ago that brought me into the Liberal

Mr. Watson accepts that some Liberals are more interested in drawing room politics than power, but says there is full support in Richmond for the David Steel line-that a period of Liberal and Social Democrat co-operation in the current Par-liament could be followed by an electoral alliance aimed at preventing a split of the Centre

How this could work out at the practical, organisational level is, however, so far an unanswered question. It seems unlikely that Richmond Liberals, having laboured unaided for many years, would

of the Liberal opposition on the council, points out that Liberal/ unprecedented - the Liberals gave Dick Taverne a free run at Lincoln - but he would be against any purely local pact. There would have to be a

"In Richmond we don't see our position seriously under-mined or threatened," he says,

The Tory borough Liberals claim belongs to them but adds that there would in- man of the Richmond conevitably be problems in other stituency Labour Party, can constituencies where the only think of one local party Liberals had not done well but member tempted to defect to where the SDs were hopeful. He the SD camp. He claims memmentions Putney, a neighbour- bership is now rising: "People ing Tory/Labour marginal. One are attracted by the fact that the problem, however, could be that Labour Party now has socialist the Liberal leadership has no policies. The Gang of Four actual power to prevent a local have no support among the rank Liberal party from putting up a and file." candidate if its insists.

Without Social Democrat in the Liberals is the Greater Lontervention. Alan Watson has don Council election in May, reasonably good grounds for which is fought on a Parliamenreckoning that the continuation tary constituency basis. They of past trends, plus the benefit of an anti-Thatcher vote, would be enough to give him the swing loss of this GLC seat in 1977. of just over 3 per cent be needs to win at the next general elec-

However, the Conservatives will be hoping that a campaign-maintained. If it is, the Riching local candidate will boost mond Liberals will be ening local candidate will boost their support, and all sides seem to agree that the Labour vote is down to a hard core which cannot be eroded much

further, after the 1979 wave of tactical voting. about seeking a Mr. Walter Wolfgang, chair-crat endorsement.

couraged to resist local Social Democrat advances. But if the Liberal appeal is shown to be slipping, they could be forced to become rather less lukewarm

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Polysar Limited is pleased to announce the appointments of Barrie A. Hayton as Vice-President, Rubber Operations in North and South America; and of Mark-Abbott to the newly created position of Vice-President, Technology.

Mr. Hayton graduated from the University of Michigan with a R.B.A. in 1959 and an M.B.A. in 1950. He joined Polysar in Sarnia as Labour Relations Manager in 1967, moving up to Manager of Employee Relations one year later. In 1971 he moved to Cambridge, Ontario, to become General Manager of Polysar's Plastics Division, returning to Sarnia in 1973 to assume overall management of the company's main manufacturing facilities

Dr. Abbott received a B.Sc. in Mathematics from the University of London, England, in 1952; followed by a Ph.D. Chemical Technology in 1953. He joined Polysar as Product Manager for Lates in 1963 and in 1966 he became Manager, Production and Inventory Control. After assuming successive management responsibility for two rubber product lines and for the Technical Development Division, he became General Manager of the company's global latex business in 1974.

headquarters in Samia, Ontario. February 3, 1981



Tokyo Pacific Holdings N.V.

Curação, Netherlands Antilles

Notice is hereby given that the Annual General Meeting of Shareholders of Tokyo Pacific Holdings N.V. has been called by the Manager, Intimis Management Company N.V. The Meeting will take place at John B. Gorstraweg 6. Willemstad, Curação, Netherlands Antilles on 26th March, 1981, at 10.30 a.m.

Annual General Meeting of Shereholders

1. To consider the Report of the Management of the Company on the business and the conduct of its affairs during the fiscal year ended 31st December, 1980.

2. To consider and, if thought fit, approve the Statement of Assets and Liabilities as of 31st December, 1980, the Statement of Sources of Net Assets as of 31st December, 1980 and the Profit and Loss Account for the fiscal year ended 31st December, 1980, as audited by the Independent Accountarits of the

3. To declare a cash dividend of US\$ 1.20 per Ordinary Share of

4. To re-elect the Manager of the Company.

5, To elect the Supervisory Board. To ratify, confirm and approve the acts of the Management and the Supervisory Board since the last Annual General Meeting of Shareholders of the Company on 17th April, 1980.

7. Any other business.

of the Paying Agents.

Trinkaus & Burkherdt

Königselles 21-23. D 4000 Dusseldorf 1

The items for consideration have been recommended by the Supervisory Board for shareholders approval. Details may be obtained from the offices of the Company at John B. Gorsiraweg 6, Willemstad, Curação, or from the Paying Agents listed hereunder. Shareholders will be admitted to the Meeting on presentation of their certificates or of vouchers, which may be obtained from any

Willemstad, Curação, 3rd March, 1981. Intimis Management Company N.V.

Pierson, Heldring & Pierson N.V. Herengracht 214, 1016 BS Amsterdam Banque Rothschild 21 Rue Lattitte, Paris 9

National Westminster Bank Limited Stock Office Services 5th Floor, Drapers Gardens

Sai. Oppenheim jr. & Cie. Unter Sachsenhausen 4, 5 Köln

Tokyo Pacific Holdings (Seaboard) N.V.

Curação, Netherlanda Antilles

Annual General Meeting of Shareholders

Notice is hereby given that the Annual General Meeting of Shareholders of Tokyo Pacific Holdings (Seaboard) N.V. has been called by the Manager, Intimis Management Company N.V. The Meeting will take place at John B. Gorsiraweg 6, Willemstad, The Meeting will take place at John B. Gorsiraweg 6, Willemstad, Curacao, Netherlands Antilles on 26th March, 1981, at 10.00 a.m.

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3. To declare a dividend of US\$ 0.875 per Ordinary Share of the

6. To ratify, confirm and approve the acts of the Management and the Supervisory Board since the last Annual General Meeting of Shareholders of the Company on 17th April, 1980.

of the Paying Agents.

3 rue d'Anlin, Pans 2

5. To elect the Supervisory Board.

4. To re-elect the Manager of the Company.

7. Any other business. The items for consideration have been recommended by the Supervisory Board for shareholders approval. Details may be obtained from the offices of the Company at John B. Gorsiraweg 6, Willemstad, Curação, or from the Paying Agents listed hereunder, Shareholders will be admitted to the Meeting on presentation of their certificates or of vouchers, which may be obtained from any

Willemsted, Curação, 3rd March, 1981. Intimis Management Company N.V.

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easily work together with local Social Democrats — who anyway at present do not even Mr. David Williams, leaders SD co-operation would not be

national agreement.

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the country came under serious satisfactory settlement was accepting a union formula threat of strike action by hospital electricians yesterday after far enough towards maintaining private sector An executive meeting of the Electrical and Plumbing Trades

BY PAULINE CLARK, LABOUR STAFF

Union decided the first hospital strikes would go ahead if health service employers fail this week Norwich hospital have already to produce a scheme for ensur- warned that urgent operations ing that all hospital electricians can only be carried out while receive a 21 per cent increase in the present action continues basic rates in line with recent and delays in maintenance work rises in the electrical contracting industry.

and delays in maintenance work by electricians are expected to cause more widespread difficul-

tricians week-old campaign of industrial action including overtime bans and work to rules in all National Health Service hos-

Teachers set for $7\frac{1}{2}\%$ deal

By Michael Dixon, Education Correspo UNIONS representing nearly 500,000 teachers in England and. Wales were last night ex-

pected to settle for a 71 per cent pay increase from April 1. But at the Burnham negotiating committee meeting in London last night tactical complications were still preventing the education authority em-ployers from formally improv-ing on their first offer of a 4 The union's claim was for 15

per cent. The employers were evidently wany of repeating last year's experience-when an improved offer was again simply rejected by the unions. As a result, when the negotiations went to independent arbitrators, they split the difference between the two sides, using the authorities improved offer as a higher base line.

Informal talks between the unions an diffe employers had apparently established that a 71 per cent offer would be Scottish teachers last week accepted a 7½ per cent in-

UP TO 30 hospitals throughout pitals should continue until a wards agreeing in principle to

faced by 30 hospitals

Strikes by electricians would union leaders rejected a pay lead almost inevitably to offer which they said did not so serious curtailment of services in affected hospitals and even parity with electricians in the to closures because they would prevent maintenance of lifts. electrical equipment and lighting in operating theatres and other departments.

one major cause more widespread difficul-

It also agreed that the electies as time goes on ricians' week-old campaign of Mr. Peter Adams, national officer in the EPTU, said last night that health service em-

TUC advisers for **Polish Solidarity**

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC is to send a the geopolitical conditions in party of trade union education specialists to Poland to advise the new independent union Solidarity on how to consolidate its organisation of a claimed 10m members.

This is the chief outcome of a goodwill mission to Britain by one of Solidarity's leaders, Mr. Bogdan Lis, a 28-year-old marine engineer from Gdansk. The TUC will also set up a fund, initially of £20,000, to channel equipment such as office printing machinery to Solidarity, probably through Sweden.

At a Press conference halfway through his visit last night,
Mr. Lis outlined some of
Solidarity's basic organisational problems and its aspirations for genuine worker co-determination in the running of industry. But he said there was no intention of setting up a new political party.

Speaking through an inter-preter, he said: "Of course we are quite determined to defend the rights which we have successfully gained. At the same time we are aware that last year.

which we are living are such that we have to retain a level of common sense and moderation in our demands."

tricians' eight-year-old pay

parity agreement without in-

creasing the wage bill beyond

The formula provides for a

new money increase which is

likely to be determined by

what other major health service

groups receive in the present wage round coupled with con-

solidation of honuses to close

the gap in the basic rate be-

tween hospital electricians and

their private sector counter-

Mr. Adams said that the main

sticking point concerned 20 per cent of hospital electricians

who had yet to be put on bonus

single figures.

He defended Solidarity's reliance on advice from the intellectual dissident's group KOR saying that criticism of this reliance had come chiefly from the Polish Government. We treat everyone equally. We accept them as activists. But that does not necessarily mean that we represent their line of political thinking."

Earlier he said: "Our object is not to change the system but we wish to do away with the wrongs that accumulated in the system since it was created some 35 years ago."

Mr. Lis, accompanied by Dr. Tadeusz Kowalik, who works at the Polish Academy of Sciences and is a member of Solidarity's Research Centre, will today visit three or four of the big British unions.

Their visit is seen as redeeming the TUC's hesitant initial support for Solidarity when it was still battling for recognition

Bigger tax inspectorate sought

The submission from the Association of Her Majesty's Inspectors of Taxes and the Inland Revenue Staff Federation argues for greater staffing, changes in techniques and a greater number of special offices as a way of attacking the "black economy." This could amount

to more than £30n in tax. Commons committee last year, the chairman of the Board of Inland Revenue suggested that cent were scrutinised in the 12 the size of the black economy was about 74 per cent of gross

Employing extra staff to recoup revenues currently lost cent of the businesses concerned would repay the Exchequer had understated their profits.

A SUBMISSION to the Governmany times over and would Additional tax recovered from ment by two Civil Service assist in controlling the Public detailed examination where

The unions point to four main areas where they say investigations should be tightened, partly through easing Civil Service staffing policy, abuses would be reduced and substantially larger

First, the target in the system of selecting business accounts for scrutiny for 5 per cent of In evidence to a House of non-company accounts to be ommons committee last year, given detailed investigation has not been met. Only 2.5 per months to October, 1979. The coverage for company accounts

was only 0.25 per cent. In those cases selected, 82 per

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The rate of interest of the Notes has been fixed at 1640% per annum for the interest period running from February 26, 1981 to August 25, 1981 (each day inclusive). The amount of interest per bond of US\$1,000 denomination is US\$85.16, payable on August 26, 1981.

revenues would accrue.

unions, whose members are in- Sector Botwing Requirement, interest and penalties was not volved in tax collecting, says the unions say. large amounts of revenue are Failure to act would result same period. The unions say additional

example, to increase the number of inspectors investigating noncompany accounts.

Second, in the operation of PAYE the unions say it is arguable whether enough reurces have ever been devoted to this system—but it was un-deniable that attention to work such as coding, assessing, linking information, and liaising with other offices was declining

because of staff cuts. As a result, taxing of fringe benefits and expense allowances was not yielding the amount of revenue it should. "Unless far more resources are devoted to curbing fraud among employers

the system is in danger of breaking down," they warn. Third, much more could be one to curb undeclared moonlighting and the earnings of

casual work.
"Perhaps the most intractable problem faced by Western economies is the growth of the cash sub-economy, the world of weekend and evening jobs settled in untraceable cash pay-

ments." Fourth, taxation of directors causes major problems because they are so closely involved in the running of their businesses. "Ensuring the correct operation of the PAYE system as promptly as possible is essential if directors are to pay their

fair share of tax.
The unions argue that London offers huge opportunities for tax investigations and points to tax yields following investigations in Fleet Stret and Smithfield It also argues that four special offices produced in total

Electricians' strike threat Shipyard unions expect low pay offer By John Lloyd

UNION OFFICIALS representing about 70,000 people work-ing for British Shipbuilders expect a low, single-figure offer in response to their claim for a "substantial" increase at talks with the company in Newcastle-upon-Tyne.

One option the company is: thought likely to have considered is the offer of a twostage increase, with 5 per cent to be paid on the settlement date of April 1, and a further 5 per cent on October 1 - and annualised rate of 7.5 per cent.

two-stage increase would follow the same practice adopted last year, when the company and the unions settled for a 15-month deal which pulled the settlement date forward from January 1 to coincide with British Shipbuilders' financial year.

The settlement last year was for an April 1 award of 10 per cent, and an October 1 award of 5 per cent, worth about 11.5 per cent on an annual

No figures have been given for the union's claim, but the Boilermakers' Society, one of the two largest unions in the industry, voted at its confer-ence in October for wage increases of up to 30 per cent, plus a 35-hour week and longer holidays.

Losses in the company are expected to exceed £100m in the current financial year. The unions do not expect to press for a settlement close to the Boilermakers' claim, but will argue that, once all public sector setlements have been examined, most deals in the public sector are about 10 per cent or above.

Observer staff debate guarantees By Our Labour Correspondent

OURNALISTS at The Observer newspaper meet today to decide what guarantees of editorial freedom they will demand from Mr. "Tiny" Rowland, the paper's new majority shareholder, who is chief executive of Lonrho. Representatives of Lourho expect to meet officials of the National Union of Journalists'

chapel (office branch) either later today or tomorrow. Mr. Rowland is expected to attend if possible. One possible structure aimed at securing a measure of independence has been proposed by Mr. Colin Legum, the

paper's associate editor. In a letter to The Times pub-lished yesterday, Mr. Legum proposes a Board of Directors with full management control, and an entirely separate Board of Trustees respon sible for the selection and dis-

missal of the editor. The Board of Trustees would also be responsible for monitoring the guarantees of independence, which Mr. Rowland has already ex-pressed himself willing to acede to.

Mr. Legum says that "such a Board of Trustees would be equally responsible to the directors and to journalists of the paper who, quite properly, see themselves as trustees for their readers to whom they feel they are directly responsible."

Mr. Legum says that the owner-ship of the Observer by Lonrho is "risky," and argues that "there must be an opportunity to test the market place to see what alternatives are available."

Mr. Jonathon Hunt, the father of the NUJ chapel, said last night that Mr. Legum's proposal was one option to be discussed. The Observer chapel officials will also meet today with chapel officials from Outrams, the Glasgowbased Lourho publishing subsidiary which will have direct control of The Observer under Mr. Rowland's propo-

British Airways a tax yield of £20m in the year talks on pay dispute continue By Our Labour Staff

BRITISH AIRWAYS management, national union officials and shop stewards held further talks yesterday in an attempt to resolve a pay dispute at the airline.

The talks involved shop stewards of three groupsground service ramp staff and engineering maintenance workers-and were held under the National Joint Council for Civil Air Transport. The airline is adhering to its

position that no payments can be made before next month at the earliest-following a three month pay-freeze-and that the total amount of money on offer cannot be improved. Vegotiations have centred on differing ways that extra

money can be paid, involving changes in the offer on shift pay and London weighting. here is still considerable opposition to the proposals from at least two of the groupsthe maintenance workers and

The umpire's not for thumping for a Judo contest, you step on to the mat and kneel down.

Officials then shuffle papers and

kneeling opposite. During those long moments of waiting, my mind always turned to the various pleasant things I might have been doing instead. "If only I had avoided getting myself into this position in the first place," I used to think, "I would not now be

in this sort of trouble."

Although the Judo kit long ago went into mothballs, I still find myself occasionally thinking the same vain thought in the context of this column. The now irrevocable step which has stranded me on the mat in the latest instance was made exactly four weeks ago.

The topic was executive searchers who fill job-openings by tracking down suitable individuals and approaching them personally - a method which most employers think is more time-consuming and less costeffective than the older practice of openly advertising the post. What I said on that occasion was that Sir John Trelawny of the Korn/Ferry International search consultancy claimed to have a way of curtailing the time and the expense of the personal approach method.

Instead of leaving the whole business of stalking and netting a short-list of candidates to a single consultant, his company adopted what he called a "taskforce ' approach. The responsibility for working with the would-be employer so as to determine the kinds of candidate who would be suitable for a particular job, was given to a scnior searcher. But as much work of tracing and contacting appropriate quarries was shared among a subordinate supporting

BY MICHAEL DIXON WHEN YOUR name is called in reporting it was to announce Sir John's open challenge to executive searchers relying on the alternative one-job-one-consultant approach. So there was whisper, leaving you nervously surely no call for nigh on a eyeing the ravening Goliath dozen of Korn/Ferry's competitors to hitch up their sleeves

> Fortunately I was able to throw them all into a pile in a neutral corner, and saw no reason why they should not be just left to lie there. But over the past few days one or two of them have begun stirring again. And this time, presumably having found the column unresponsive as a contestant, they are attacking it as an unfair umpire, claiming that they have at least a right to be given room in which to defend them-

Now that they seem at last to be appreciating my real role in the proceedings, therefore, the contest will continue. Since the counter-claims make much the same point, however, and I still feel nettled at the undeserved allegations of partiality. I shall report them all in the words of the one counterclaimant who scrupulously recognised this column's dispassionate role from the outset. His name is Dirk Degenhart, and he says:

" Having been exposed to analogous service-industry environments several years ago, I am acquainted with the 'task-force' type of structure. In my exerience this structure is very helpful in freeing top people 'manage' their own subordinates, and develop five-year plans and so on. But it usually means heavier internal costs, and clients usually reap the appropriate heavier fees. "In addition, because more

and more people down the line have to learn about the client's business (its chemistry as well as the more objective facts), as possible of the more routine and as second-hand reports circulated within the consultancy are no substitute for the feel you get from personal contact Provided they are personable with clients, I would have and culturally transferable to It is true that the above thought that less speed is also a the U.S. business milieu, which claim is by no means uncontrovery real possibility. A client in this case means willing to

people, more internal discus- anywhere at short notice, cansions take place, more paperwork, etc.

individual-consultant approach is, I believe, still the best. I believe it to be so from whatever angle speed, identification of requirements, costand make a baleful rush at me. effectiveness and relations with clients provided that one has the right consultants, and good retrieval systems, reference data and contacts."

U.S. opening

SINCE THE days of the "brain drain" a decade or so past, opportunities for people of other nationalities to go to work in the United States have been most noticeable by their absence. But it seems that the odd such opening is now starting to reappear.

The latest, with a small

investment-management cern in New York, has been brought to the Jobs Column by Fiona Stephens of the Londonbased recruitment consultancy Stephens Associates. She is unable to name the employer and so, like the other recruiter to be mentioned later, promises to honour any applicant's request not to be identified to the client without further per-

The New York company has about a dozen staff and is concerned to grow by ensuring a better return on the funds it is already managing, than by taking additional funds under

Accordingly it wants to engage someone with consummate up-to-date knowledge of the stock markets of the United Kingdom, the rest of Europe and the Far East and all-round experience of dealings in international equities and bonds. The research skills as well as the nous required could have been gained as an analyst, a fund manager or as an institutional salesperson with a broking concern.

Provided they are personable need to brief several work all hours and travel

didates could come from virtually anywhere. Salary indicator is the equivalent of £50,000

or perhaps more. Fiona Stephens is also offering a London-based post with a U.S. pension investment consultancy, which is using its operation on this side of the Atlantic as the mainspring of its international expansion. Although drumming up new business will not be a major

concern of the investment

executive now being sought,

there will be frequent contact

with clients and travel in

Europe. As well as the clients, the company's international managing director will need to be persuaded of candidates' ability to assess world-wide currency. stock and bond markets and formulate appropriate strategies funds. Applicants must also be adept at judging the relative merits of the different investment-management concerns in the market. The preferred background is successful institutional responsibility of similar kind and scope. Salary indicator £20,000 to £30,000. Perks nego-

Inquiries in either case to Fiona Stephens at 35 Dover Street, London WIX 3RA; telephone 01-493 0817.

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Hornchurch, Essex. the Liquidator of the Company; and if so required by notice in writing by the said Liquidator either personally or by their Solicitors to come in end prove their seld debts or claims at such time and place as shall be specified in such

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Compeda in \$2m U.S. plant layout debut

one of Britain's leading computer aided design (CAD)

It has won a \$2m order from piping/plant layout systems in five locations in North America use of the system throughout the 43,000-employee parent, Combustion Engineering of Stamford Connections. Stamford, Connecticut.

director of Compeda, says he considers "that these two agreements form a major tribute to the advanced nature of British-designed and developed CAD need for, or the effect of, design designed and developed CAD products. There is no competitive system in the world."

Compeda, which is a whollyowned subsidiary of the National Research Development Corporation began design work on its Plant Design Management System (PDMS) in the mid-70s and sold its first installation to Wimpey in 1977. Users now include Electricite de France for use in pueller de France for use in nuclear power station development, all the major divisions of ICI and Dow Chemical in Rotterdam. A particular advantage of PDMS is its "portable" software permitting it to be interfaced with any system that the customer may already have, allowing benefit to continue to

Basically, PDMS permits the designer to carry out detailed design of mechanical/pipe-work/plant structures in three dimensions on a television screen. It contains a complete design database from which information can be extracted in any format and used as a standard data exchange docu-

he obtained from previous

has been bestowed on Compeda plant constructor and ultimately the plant owner. Compeda claims that this is the first time that a computer package has had sufficient power U.S. engineering construction and scope to make this possible. The designer can build a com-plete detailed three-dimensional model of a process plant within the computer in such a way

by the designer can be Keith Trickett, managing accessed and shown in detail, either on the screen or on a full sized engineering drawing. This enables the designer modifications and allows him to work interactively to refine the design into the most accentable plant equipment and pipe-work layout.

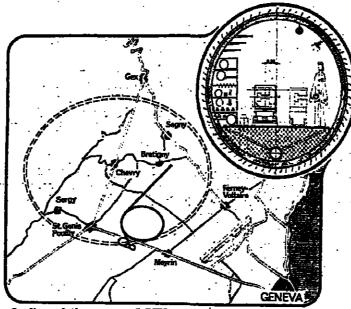
no big atom-smasher of its own operating today. But the government contributes about PDMS can also provide an archive tape which produces all the information required for plant maintenance and constitutes a starting point for all future updates and changes to high-energy physics in UK universities and support for plant design.

If, as is often the case in plant design, a chemical engineer for example suddenly realises that a reactor vessel size has to be increased, PDMS Laboratory. allow the pipework to be rethreaded with comparative ease. The software contains an interference detector, so that pipe run clashes for example, are automatically avoided. This is part of a post-design analysis program which also allows verification of whether com-ponents have been properly specified in the first instance from the computer-held component catalogue.

Compeda is on 0438 56123. GEOFFREY CHARLISH ing that, in the prevailing con-

UK to share in Europe's biggest machine

BY DAVID FISHLOCK, SCIENCE EDITOR



Outline of the proposed LEP under the Dura mountains with the ISS and SPS shown bold; inset, cross section through the

dition of oil-induced recession,

they have fought shy of asking club members—the Nine minus Ireland but with Greece. Sweden and Switzerland - to fund yet another big machine as a separate project. LEP nearly five times the diameter of the at mid-1979 prices is expected to cost about SFr 1.275bn (£300m) in total, Even the more restricted stage 1 machine with which they hope to get the project started is expected to cost SF 960m.

So the ploy is to fund it out of the Ploy is to fund it out of the CERN budget already agreed by member-states, around SwFr 600m a year. It will be done, says Professor Butterworth, by shutting down CERN today operates two big the intersecting storage rings archines: the intersecting in 1983, and "by squeezing" orage rings, with twin rings everywhere else in CERN over the next seven years. At the peak, one-quarter of CERN's budget will be diverted into LEP.

> If the plan is approved, a big slice of CERN budget during the 1980s will be spent with European industry. It will buy

nology at the limits of engineering design.

Again, CERN has developed a new way of evacuating the

large but more conventional electrical equipment, and finally the more advanced electronics— "as late as possible," says Professor Butterworth, to ensure that it will be as advanced as the scientists can conceive. CERN itself has already

done a considerable amount of development engineering on major components for LEP. For example, it has developed a novel way of building the thousands of magnets needed to ease the electrons gently

LEP tunnel.

Klystrons for generation and distri-

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bution of RF power at 353 MHz

ing design.

Present plans call for a start early next year. Spending should peak around 1984-85, when CERN expects to be spending about SwFr 150m a year on LEP. Civil contracts will come first, followed by the large but more conventional will need 1,952 of these linear to absorb traces of air. LEP will need 1,952 of these linear ion pumps, each 11.7 metres in length.

To cut the cost of controlling the radio-frequency power, CERN has developed a very low loss microwave cavity to transfer power to the machine. It will want 768 of these storage cavities.

It has long been CERN's claim that industrial participation in its projects is a proven way of upgrading a company's own technological competence, and round the ring, so that they do an effective way of advertising not waste too much of their its arrival as a high-technology energy giving off radiation. It company. Professor Butterworth has made a prototype magnet contends that companies in re-expected to cost SF354m (about of reinforced concrete in celpt of its contracts "reap very £82m). One-third of it is allowhich the reinforcement is large benefits over and above cated to excavating the main steel laminations. This "comthe CERN orders." CERN's tunnel. Britain has never won posite" is cheaper and lighter specifications are unquestion-

with an assortment of high tech- make 3,840 of these magnets, awards contracts strictly on merit.

Number (SF, 1979 prices)

114.1 43.8

LEP's SHOPPING LIST

..... (30.6 km)

(some items of capital equipment)

Britain's performance, very poor in the Sixties when the intersecting storage rings were being built, improved somewhat in the Seventies, when such firms as Morfax and Plessey won large CERN contracts. But overall Britain fails to live up to its reputation of being one of the high-technology nations.

LEP affords British industry a third chance to shine. The shopping list includes such items as 96 one - megawatt klystrons to generate radiofrequency power, together with power supplies; about 100 com-poters; 100km each of alumin-ium and stainless steel water pipe; 500 assorted electromag-4,500 vacuum pumps; 25.8 km of aluminium vacuum chember; and 1,500 metres of

waveguide. The civil engineering alone is expected to cost SF354m (about £82m). One-third of it is allocontracts before from CERN in

LAING

Washer is driven by the washed

claimed to remove mud, clay, stones and even impacted chalk from the wheels and chassis of heavy commercial vehicles in half a minute has been intro-duced by William Moseley (Engineers), Feltham, Middle-sex (01-890 4071). Known as the Moseley Mark 7 Wheel-washer, it is operated by the driving wheels of the vehicle being cleaned.

The lorry is driven on to the Wheelwasher so that its rear wheels rest on the double rollers. For vehicles with two rear axles between 4 ft and 5 ft-2 in apart, two sets of double rollers are provided.

The roller brakes are then disengaged and the vehicle started to give a wheel speed equal to 30 mph. The rotating rollers draw clean water from a reservoir and pump it at high pressure through 12 jets designed to give a controlled angle of spray with a "sharp edge" to ensure efficient cleaning.

The pump, which delivers 54 gallons of water per minute to the jets, is a self-priming centrifugal unit powered by the front pair of rollers. The Wheelwasher unit is constructed of heavy steel sections and weighs 4 tounes. It is capable of supporting fully laden lorries and is designed a circular tunnel some 30.6 km than a conventional electro- ably exacting. What is more, it the civil engineering sector. But for hard service in gravel in length and four metres in magnet of the same field claims that one reason why it three UK civil contractors are pits, refines dumps, open-section, excavated at a depth of strength, about 1.3 kilogauss, completes projects on target for visiting Geneva to take a closer cast mines, quarries and about 100 metres, and equip it LEP will need someone to time and budget is that it look at LEP.

Gauges, Ringway Heuse, Hill Street, Coventry (0203 27491). The parameters gauged can

embrace dimensional and geo-

metric measurements such as diameter, length, ovality, taper

concentricity and parallelism, says Marpross. According to the gauging results, feedback signals can be sent to machining

stations to correct the position-

ing of tools.

£1,000,000,000 UNDER MANAGEMENT NOT BAD FOR A BRAND NEW COMPANY.

BRITAIN'S PHYSICISTS are confident that the Government

will shortly approve UK participation in the biggest machine

ever built in Europe. This is an atom-smasher almost 20 miles in circumference, in

which atomic fragments will be

steered into head-on collision

at something approaching the

positron storage ring, if approved by the Council of CERN this summer, will be excavated deep beneath the Jura mountains, 3,000 ft high.

on the border between Switzer-

land and France, CERN is the

12-nation research collaboration

based near Geneva which

wants LEP in order to continue

its exploration of the funda-

one needs now is a machine giving head-on collisons at much higher energy," says

Professor Ian Butterworth, head

Imperial College, London.

of the physics department at

The immense energies re-

quired to fragment sub-atomic

particles still further are now beyond the reach of most

national budgets. Britain has

£25m a year to CERN, the Euro-

pean Organisation for Nuclear

Research. The Science Research

Council backs up this contribu-

tion with grants for research in

engineering development and

detectors, at national centres

machines: the intersecting storage rings, with twin rings of magnets 300 metres in diameter, completed in 1971;

and the much bigger super

proton synchrotron (SPS), with a ring of magnets 2.2 km in

diameter, which first operated

in 1976. Technically, both have

But so far removed from

everyday use is the physics Europe's scientists are perform-

been great successes.

design of equipment such as

the Rutherford

"It's very apparent that what

mental nature of matter.

LEP, the large electron-

speed of light.

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funds, from still-growing businesses to multi-national corp-

orations-and to manage almost any type of financial asset, from surplus cash to worldwide investment portfolios.

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NEWS IN BRIEF ADHESIVES

HOT MELT slugs (the cart-ridges used in hot melt guns) are generally imported to this country, but Wey Adhesives of Godalming, Surrey, is now pro-viding a highly competitive alternative to American and German products with variety of UK grades.

Following heavy investment claimed to be capable of in capital plant and manpower, printing up to 1,375 characters

cartridges temperatures of the raw materials, thus elminating degradation problems usually associated with moulded pro-

More on 04868 7183.

CODING

A MAGNETIC-STRIPE encoder for credit, cash and credit cards introduced by National Business Systems of Canada has a microprocessor control system and a large-capacity memory designed to ensure both automatic error detection and sim-plicity of use. Known as the NBS Model 500, it has a built in vdu and matrix printer. The constant speed and precise registration of the motor-driven read/write mechanism is claimed to ensure accurate entry and read-back of data.

Details from NBS-Lanyard, 214, Station Road, Addlestone Surrey KT15 (97 53291).

INSTRUMENTS

HAND-RELD digital tachometer introduced by Graham and White Instruments, St. Albans, Herts (56 59373) has a built-in five-digit liquid crystal display with black figures which is claimed to be as easy to read in strong direct sunlight as in the shade. The instrument will operate up to one metre away from a rotating shaft by projecting a beam of light on to it.
Light pulses reflected from a strip of tape on the shaft are accepted by the tachometer's

single-lens reflex system, con-

NATIONAL BANK OF CANADA Jacques A. Seigneuret.

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verted, and displayed numeri-

cally on the LCD A continuous memorary automatically holds the last reading. The unit measures 1500 mm by 90 mm by 45 mm and weighs 250

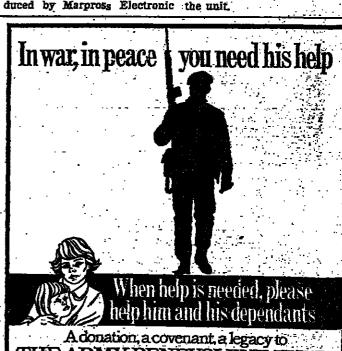
PRINTING A RANGE of non-contact coders

in capital plant and manpower, printing up to 1,575 characters the company offers high per second on almost any quality melt adhesive slugs to packaging material has been fit virtually every hot melt introduced by American Can applicator available in these (UK), Orell Lane, Liverpool islands and other European (051 5253600). The coders, named Videojet 2, are Wey's production process en-controlled by a microprocessor ables the company to form handling coding information of without up to 64 characters entered on reaching the critical melting a keyboard with an LED. The ink stream is broken up by ultrasonics uniform drops which are then electrically charged.

AMPLIFICATION A POST-PROCESS gauging amplifier claimed to process up to 30 simultaneous measurements on single or multiple components has been intro-

PACKAGING A SEMI-AUTOMATIC polypropylene strapping machine with the sealing mechanism at the side and the package table adjustable in three positions, introduced by Gordan Strappings, Browells Lane, requiam, Mdx (0-751 3431), is designed to allow packages of surying

heights to be correctly and tightly strapped. The table can be supplied with or without rollers. The new machine, designated 35-OLY, uses Gordian "Hyplex" polypropylene strapping in widths from 9mm to 15.5mm. For maximum convenience, the strapping coilholder is positioned on top of



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FINANCIAL TIMES SURVEY

Tuesday March 3 1981

SPAIN Banking, Finance and Investment

With membership of the European Community in the offing, much of Spain's economic thinking centres on this issue. Nowhere is this more evident than in the Government's efforts to groom the financial sector to this end. But entrenched attitudes in banking circles are inhibiting progress.

progress towards reform

By Robert Graham Madrid Correspondent

SPANISH BANKERS are too polite to kick and scream. But they have made an awful lot of fuss over Government efforts to liberalise the banking and financial system. They have not hesitated to pull out all the stops to ensure that projected reforms cause minimal disturbance to the status one. As a result change has been gradual and partial. Despite the Goveroment's avowed intention to bring the system more into line . with the rest of Europe against over the past three years are the day when Spain enters the at least \$550m. EEC, banking and finance are more controlled and less trans was strongly resisted by the parent than in any other major more conservative elements. Western industrial nation.

It is too early to tell whether last week's failed military coup under restrictions, the first will divert the Government's being a batch of 10 which attention away from banking began operating in 1979. The and finance—and the economy publicly expressed fear was in general—to deal with matters

CACINE

-re

Hard Won sation—especially since 1977. A banks to operate was approved in 1978 and now there are almost 25, representing the most prestigious names in inter-national banking. The authori-ties are also on the verge of authorising a foreign bank, Barclays, to break new ground and carry out a \$70m take-over of a medium-sized local bank, Banco de Valladolid.

Interest rates have been partially liberalised in a substantial package of reforms approved last January. The Bank of Spain last August acquired a new set of statutes giving it a degree of independence never enjoyed before. At the same time it has begun to exercise proper powers of control. Several leading banks have begun to make genuine efforts at greater transparency.

Finally, a good many lessons have been learned—and are still being learned—from the crisis within the banking system caused by a combination of the four-year-old recession and bad management. The losses caused by bank collapses or in emergency lifeboat operations

The entry of foreign banks As a result the foreign banks were let in only gradually and

that they would take away

The latter fear has not been entirely groundless. The fact them is that they are having that the foreign banks have to absorb several differing had to operate within restrictions have forced them to use their ingenuity, which in turn has introduced new methods of business-like the acceptance

to follow their example. The biggest single surprise caused by the foreign bank presence has undoubtedly been Barclays' offer to take over the alling commercial bank, Valladolid. Few of the large Spanish banks believed that Barclays would go through with its offer or that the Bank of Spain would give its benediction.

Precedent .

The purchase—whose final approval by the Cabinet has been held up by the resignation of Premier Adolfo Suarez—is a special case. Valladolid is controlled by the Corporacion Bancaria the so-called bank hospi-tal created in 1978 to administer ailing banks, and the authorities wanted it refloated. But now a precedent has been created and could well be repeated with another bank in the Corporacion.

A few within the Spanish banking community believe that the skills and sophistication of the foreign banks are just the sort of tonic needed to transform the system. But this is still a minority view. It is posof State such as the account business. In private it was sible that there will be a backability of the armed forces. much more a concern that the lash against foreign banks

That said, important progress foreign banks would burst since the more conservative

far enough. The problem for to absorb several differing

changes at the same time, Last January the Govern-ment, after several months of consultation, introduced a series of measures aimed at liberalismarket and the use of floating ing interest rates, improving term finance and tidying up the money market. The bankers rates. Rather than be left out the Spanish banks have tended argued with some justification in their submission that "there is no point pretending to liberalise interest rates in the framework of an economy which has controlled prices, labour relations, foreign exchange, transfers from one sector of

the economy to the other, social security, etc. . . . " The resulting measures were thus essentially timid and did nothing susbtantive to tackle the principal mechanism of control of bank liabilities the system whereby a high proportion of deposits is tied up in officially directed investments at low rates of return. This system, known as the "privi-leged circuits," effectively ties

up the use of almost 30 per cent of commercial deposits. It also provides the banks with the excuse that margins on their "free" funds have to take account of the low returns on these obligatory investments. (One reason, critics claim, for the high margins enjoyed by Spanish banks.) At the same time these soft funds act as a concealed subsidy to the recipient with little real public accountability.

The banks fought a tough rearguard action against the Bank of Spain over making com-

Spain's cosiest business cartels. have gone too far-or certainly transparent. The Bank won this both, battle and the January reforms have set clearcut guidelines for

the first time. banks issued CDs for one year money supply is now accounted for by CDs, cleaning up this abuse has given the Bank of Spain better monetary control.

Friction

One effect of liberalising interest rates will be to create competition between Treasury and the private banks for short-term debt. Friction could arise here since both the banks, and businessmen, want the Government to control the public sector deficit better. They believe that so long as the Treasury can go to the market benefiting from privileged fiscal treatment (which it still does), this encourages deficit financing. Last year the public sector deficit moved from 2.7 per cent of Gross Domestic Product (GDP) to 3.5 per cent and could be 4 per cent in 1981—equivalent to

over Pta 700bn. Perhaps the greatest catalyst for change has come from the system itself and the challenge presented by the recession. The commercial banks, their own customer base, and via investment and merchant bank subsidiaries, are

Thus the effects of a fouryear recession have been seriously felt. In the past two The Bank further asserted itself by cleaning up the CD had to set aside some strong (Certificate of Deposit) market. portfolio writedowns and provisions for bad and doubtful debts. The fact that they have the fat in the system. but let the term be broken. others have proved much Since some 12 per cent of weaker and almost 20 banks have found themselves in difficulties since 1978. Special instruments have had

to be created to combat the banking crisis. In addition to the Corporacion Bancaria, the Deposit Guarantee Fund was enlarged last year. Each bank now has to contribute one per 1,000 of deposits, with the Bank of Spain matching this contribution. In 1980 the fund had contributions of Pta 12bn and the the Bank of Spain used its statutory right to chip in four further anticipatory payments. Most of the Pta 36bn funds have been used up.

The crisis among the small-

and medium-sized banks is prob-

ably not yet over. A measure of the concern of the banking community is the way in which the guarantee fund has the power to withhold its warranty from any bank which refuses to have an internationally recog-nised audit. This is already happening with several banks. But the big banks—the Big Seven accounting for almost 60 per cent of deposits—are not without their problems. They have expanded their branch networks vigorously in the past

open what has been one of Spanish bankers feel that things missions and charges more equity participation or loans or heads. These overheads are a major factor in the cost of transformation in Spanish bank-

Mechanisation is spreading rapidly but the banks are handicapped by (a) the strict hire-and-fire labour laws; (b) well organised unions and (c) outmoded operating systems. The unions, for instance, have opposed a five-day week because they are reluctant to forego their free afternoons even if this means Saturday working. In the past the banks could afford to buy off industrial unrest through high wages.

Question

Furthermore, it is a major question what happens if bills of exchange, which currently represent 35 per cent of bank balance sheets, acquire a reduced role. At present something like 30 per cent of all bank staff are engaged in handling bills of exchange.

As the pressure to reduce costs increases overmanning and mechanisation will become major issues—but these are ones which the banks will have to sort out themselves rather than look to the Government. As it is the Government over the next year is likely to be more concerned with its durability and short-term economic management than with such matters as a further decontrol of banking and finance.

Prospects for 1981 are that

the Government target of 2.5 per cent growth will have to be cut back to 1.5 per cent. Housing starts have shown the first among the banks, which remain directly involved in all sectors five years and now have very pick-up for five years, but of the economy, either through substantial staffs and staff over- against this, agriculture will be the future.

CONTENTS

Impressions The Big Seven Foreign Investment Foreign Banks Bourses Information

adversely affected by the severe drought. Wage increases once again look like being on the high side, averaging over 14 per cent and keeping pace with inflation. The number of jobless is expected to rise by some 200,000 to 1.8m or almost 14 per cent of the working population. Money supply is expected to increase at a slightly slower pace, 17 per cent, but with the same amount or marginally more available to the private sector.

On the external account the continuing rise in the price of energy imports will raise the payments deficit to over \$6bn by the end of the year. But exports should be boosted by the sharp downwards movement of the peseta (within a year its dollar parity has fallen 33 per cent), and thus should help take up the continued slack in domestic demand. There is no evidence of a turnround in husiness confidence-least of all wary and non-committal about

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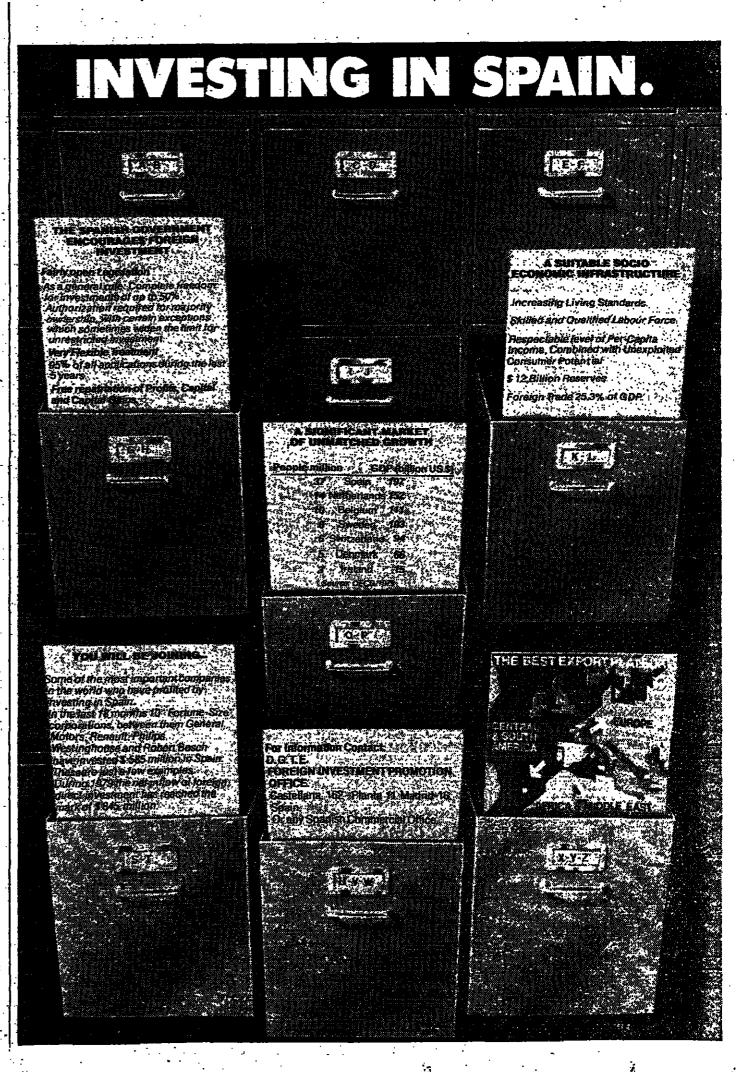
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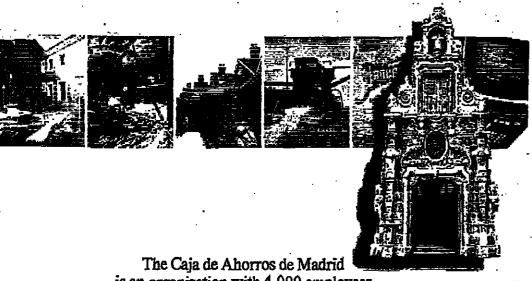
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Financial statement approved at the annual shareholders meeting held in Bilbao on January 31, 1981. December 31 1980 _

Detellio	er 31, 1980		
ASSETS	Pesetas		S USA
Cash & Bank Portfolio Investment Loans & Discounts Other Assets	235,001,142,951 87,260,698,430 431,172,232,187 51,477,707,470		2,965,314,107 1,101,081,368 - 5,440,659,081 649,560,978
Total Assets	804,911,781,038		10,156,615,534
LIABILITIES			
Capital Surplus Profit Deposits Other Liabilities	11,271,043,000 31,875,065,476 712,239,925,863 49,525,746,699		142,221,363 402,209,028 8,987,254,585 624,930,558
Total Liabilities	804,911,781,038		10,156,615,534
Highlights of	the year (million)		
	Pesetas	S USA	△ % 80/7 9
Operating Profit Provisions Net profit before Taxes Share holders equity Deposits per employee Profit per share * Dividend per share* Number of branches Domestic Network International Network	39,763.4 51.14 221.26 96.83 865 850	207.5 129.4 78.07 501.7 0.65 2.8 1.2	40.14 49.35 27.15 7.59 20.16 39.46 20.42
* Pesetas & \$ USA (fixing-rate 30.12.80: Ptas/\$ = 79.25)			V

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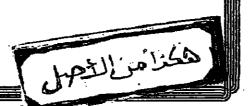
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January 1981



Consolidation the theme

STRUCTURE

ROBERT GRAHAM

ONE OF the first comments by all visitors to Spain concerns the number of banks and bank branches. In the main cities, especially, banks are the most visible business signs on street fronts, and almost without exception occupy the most impressive buildings — ancient or modern. It is not difficult to presume (correctly) that banking is big and good business.

In the space of the past 15 years, and more particularly during the latter part of the seventies, Spain has become a highly-banked country. Between 1974 and 1979 the number of branches more than doubled to 12,235. In the case of commercial banks there is one branch for every 3,300 inhabitants—a density only exceeded in Europe by Belgium. A combination of saturation, the sharp effects of a four-year-old recession and the financial constraints of staffing costs in what remains a relatively labour-intensive industry have now led to a slow-down in expansion. The 'eighties are already witnessing a period of

consolidation of the banking the industrial and commercial latter institution has also broken

banking expansion of the 'seventies could be summarised as follows: (i) the dominance of the "Big Seven" privately owned commercial banks and their affiliates; (ii) the continued wide ramifications of these banks' involvement in direct and indirect control of important sectors of the economy; (iii) the increased presence of small and regional banks: (iv) the growing role of State-controlled credit institutes, headed by the Instituto de Credito Oficial, in providing term finance. Against this the 'eighties now seem likely to be marked by a different set of characteristics.

The big seven commercial banks will continue to dominate and will consolidate through further mergers with smaller banks. However, because of the move towards regional autonomy and the distinct regional identities in Spain, the small local and regional banks are likely to enjoy a longer individual life than the legic of scale dictates. The savings banks, the Cajas de Ahorro, will, in order to compete for business, be drawn into playing a larger banking role. The introduction of foreign banks, approved in June 1978, will begin to have a major effect on business practice and in promoting competivity even though their overall share of business will remain small:

Mechanisation and the need to control overheads will convert banking to a capital-intensive industry with pressures on those institutions with large workforces. Finally, Spanish banks will become increasingly conscious of the need to diversify outside the Spanish market, looking parti-cularly to Latin America and Europe, either through their branch operations or through link-ups with local or international banking groups.

The Big Seven banks are anesto, Central, Hispano-Americano, Bilbao, Vizcava, Santander and Popular. Ta-gether they account for 46 per cent of the total capital reserves of the banking system, which last September amounted to Pta 724bn. They account for over 52 per cent of commercial bank lending and 58 per cent of total deposits. If their affiliates are included then at least another 10 per cent of this business can be added to the previous totals.

Dominance

cial banks, 26 industrial banks and a further 23 foreign banks now operating in Spain the dominance of the Big Seven becomes more obvious. Indeed a remarkable feature of the Spanish banking scene is the enormous size gap that separates the Big Seven and the great bulk of other banks. The 10 largest banks in the country employ 125,000 of the 177,000 employed in the banking sector; put another way 3 per cent of the banks employ 70 per cent of all personnel.

The proliferation of banks in Spain is in large measure a reflection of the regional nature of the country. For instance, Banco de Bilbao, one of the two leading banks with origins in the Basque country, had its first office in Bilbao, the second in Vitoria, the third in Paris, the fourth in London and only the fifth in Madrid.

An important contributory element to this proliferation was the relaxation of the strict curbs on the establishment of banks in the early 70s. This permitted a host of new bank-ing entities and eased existing restrictions on the number of

Banks are currently classified according to the following divisions—national (those with a national network), regional, local and foreign. Within this framework, there is a distinc-tion between the commercial and the so-called industrial

banks. Under a law of 1962 banks were required to register as either commercial or industrial to encourage specialisation In theory this was meant to per-suade the commercial banks to concentrate on the retail end of the market and to leave investment, particularly in industry, to the industrial banks who were to act more like merchant banks. However, all the major banks chose to establish investment subsidiaries so that they could retain their investment activity in industry and the services, and by the same token retain their grip on the economy.

In effect there were only two significant specialised indus-trial banks—Urquijo and Bank-

Until recently the industrial banks financed industrial development, some agribusiness and major service investments. They did this via long-term loans to cover fixed assets or via equity stakes—or both. They were not allowed to undertake commercial operations except with companies in which they had a sizeable holding. To set against this restriction they had the power, unlike the com-mercial banks, to issue bonds which had certain tax benefits.

However, the effects of the recession on industrial investment, coupled with moves to liberalise the financial system since 1977, have gradually eroded the distinction between

independent industrial banks no The main features of the rapid longer seek to be denoted as such. Instead they regard themselves as merchant and investment banks which also are diversifying into retail banking. An added stimulus to this change has come from increasing mechanisation and computerisation of procedures, which means they can absorb surplus staff through branch

> The foreign banks have added a new dimension to the structure. At present this is less of their share of business and much more because of what they represent;

network expansion.

Catalan Bank group. It also buying its Madrid headquarters.

Caja boards now more directly answerable to local opinion, there is a move for them to concentrate more of their resources on local investment. The Catalan Government took this one stage further last summer and published a decree which effectively gave it control over the regional direction of all the Cajas in Catalonia.

the Catalan Cajas

account for over one-third of

this decree had major implica-

tions for the entire financial

system and the Madrid Govern-

ment sought to overturn it. Only

which still gave the Catalan

Government a measure of con-

trol over the regional direction

of the Catalan cajas' resources,

Cajas have the highest portion

obligatory investments, especi-

ally public funds and fixed

interest securities (e.g., utili-ties bonds). The cajes still have

to place 60 per cent of their

deposits into officially directed

investments at below market interest. Of this 34.9 per cent is earmarked for public funds,

15.9 per cent for loans and

credits to approved entities,

1 per cent to help finance export credit; the remainder is cash which is deposited with

the Bank of Spain (3 per cent

or obligatory investment is a

major feature of Spain and the

funds are known as "privileged

circuits" because of the privi-

leged rate at which recipient obtains the funds.

Even with liberalisation, the

their resources tied up in

banks. Indeed the two large precedent by buying into the obliged to set aside 21.9 per cent of their deposits for officially provided cash flow to the directed investment. The ulti-troubled Banco de Madrid by mate figure is close to 30 per cent if all the various obligatory Another development concern- deposits with the Bank of Spain ing the Cajas has centred on are considered. This system is their regional role. With the only slowly being liberalised, with a gradual monthly reduction in the proportion that the banks are obliged to set aside.

Nevertheless this mechanism of Government control over the use of deposits makes the whole banking system subject to strong State intervention. Fur thermore, normal interest rates tend to be pushed higher to offset the low returns on the funds used in the "privileged cir-cuits." This in turn impedes the evolution of a proper capital

Circumscribed

The margin of manoeuvre of the private banks is also circumscribed by the existence of the official credit institute, Institute de Credito Oficial (ICO). The latter is fully state-owned and operated, distributing soft credit either directly or through its affiliated banks that deal with sectors such as agriculture, construction, housing, industry and local government.

In the last four years the ICO has become a major force as a supplier of term finance. As the proportion of funds which the banks are obliged to set aside for officially directed investment gradually declines, greater use is made of the ICO for long-term funds. The private banks want to place the money thus freed from below market interest on more profitable short-term use.

The one area of official credit not administered by the ICO or its affiliates concerns export finance. This is handled by the Banco Exterior, whose capital is owned 64 per cent by the State, the remainder being in private hands, mostly the banks.

The Banco Exterior reflects the curious ambivalence between private and public ownership that existed during the Franco era. Its principal aim is to promote exports and foreign trade. It is the bank with the largest foreign net-This activity is essenfunded through money obtained from the other banks as part of their obligatory investments via the ICO. But quite apart from this the Banco Exterior operates as a normal bank, taking deposits and dis-counting bills.

Because of the bank's peculiar status it is not formally classified yet among the 10 largest which is non-interest bear in the country. Logically, in a controlled system that is committed to liberalisation this bank's status must change, or at least the subsidised part of its activity must be removed. But this is not likely to occur in the near

Total 3,014 Total 11,243

BANKING SYSTEM RESOURCES [Pesetas bn]

major international organisations with enormous experience and a great deal of resources determined to make their all assets in the Spanish Cajas,

Until the liberalisation decree of 1978 there were only four foreign banks operating in Spain, which had acquired this after five months of negotia-tions was a compromise reached right through historical circumstance. There are now 23 and before the end of this year the number could be 25.

For the moment they have to work under certain restrictions concerning peseta dealing, and the number of their branches is limited to three. They are mainly concerned with the wholesale end of the market but through its purchase into Banco de Valladolid, the retail end can be penetrated as well. From providing less than 1 per cent of total commercial credit two years ago, the proportion is now 3 per cent and rising.

The foreign banks are un likely in the short term to obtain a substantial share of business Once one realises that there because the Spanish banking are 76 Spanish-owned commer- community will do its best to prevent this. Nevertheless, the foreign presence has already the system, made the Spanish banks more aware of competitivity and new instruments of business-like Moreover, foreign banks are beginning to turn their attention to second ary banking, seeing whether through buying finance houses they can achieve alternative access to the market.

One cannot, however, look at the structure of the banking system solely from the point of view of the commercial and industrial banks. The Cajas play an important role, accounting for roughly one-third of all private financial resources. They are run as non-profit making trusts, rooted in regional bases. Traditionally they have been

treated as adjuncts to the commercial and industrial banks. While they competed for deposits, they tended to act in tandem with the commercial and industrial banks. Indeed, their ability to attract deposits, at lower interest rates, coupled with their high percentage of obligatory State-directed invest-ment into term financing, permitted the latter to concentrate more and more on the short term market.

Accounts

The Cajas offer four main types of account—house savings (like a building society), share interest fisheries savings Spain's position as the world's third fishing nation), and emi-grant savings (a hangover from the days when remittances played a major role in the national economy).

Since 1977 the Cajas have been permitted to play a much greater banking role. The percentage of funds they are obliged to use in State-directed investment has been lowered. They can now conduct commercial discount operations as well as go to foreign markets in the same conditions as other Spanish banks. Interest rates on their CDS have also been liberalised upwards of six months so that at a time of rising interest rates they can compete more evenly with the other banks for clients' funds.

Restrictions on the opening of new branches have also been eased. Finally the structure of board membership has been altered so that persons are elected democratically-a choice which now falls upon the municipalities and regions where they are based. All this has tended to make the Cajas more formidable entities with their own identity.

There has been a tendency among the Cajas to co-operate more closely among themselves, Over the past two years a number of mergers have taken place, especially in Catalonia, which is dominated by La Caixa. The

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BANCO POPULAR **ESPANOL**

UNCONSOLIDATED FIGURES

December 31st

(In million pesetas)

·	1980	1979	Variatio
NET EARNINGS	4,146	3,415	21.4
TOTAL EQUITY	30,826	28,044	9.9
DEPOSITS	367,778	300,437	22,4
TOTAL LOANS AND			
DISCOUNTS	292,416	242,338	20.7

Much needed moves to liberalise the system

REFORMS ROBERT GRAHAM

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LAST JANUARY the Government introduced a series of reforms of the banking and financial system, the second main such action to tidy up and liberalise the sector since the Franco era: The measures removed restrictive legislation on interest rates, ended dividend control (in force since 1941), provided clear cut rules on bank charges and commissions and brought the savings banks—the Cajas de Aborro—further into line with the commercial banks.

All are moves much needed of the Franco era. This was to modernise the system. The the way investment, public fact that they have taken so and private, was financed long to introduce underlines the through funds obtained from strong resistance to reform the banks and Cajas at arti-among many of the banks. It ficially low rates of interest.

of making comprehensive for the commercial, industrial credit squeeze, created two has been accelerated from 0.10 changes in a system so heavily and savings banks. In the case main problems. First, a great per cent bi-monthly to monthly. changes in a system so heavily controlled as the Spanish.

was made by Prof. Enrique Fuentes Quintana in July 1977 when he carried out a devalu-Fuentes was then handicapped by a combination of the uncertainties of the political transition, the lack of real agreement on the type of economic model and the reactionary attitude of the banks, which feared that change would be to their disadvantage. timid and no major effort was made to alter one of the most striking features of the system that had prevailed since the industrial development boom also highlights the difficulties Specific coefficients were fixed

MICHAEL LAFFERTY, our Banking Correspondent, visited Spain recently. Below he gives his impressions of the country's banking system

Want to be part of Europe'

a leading West German retail are the British banks, banker, Dr. Ekart van Hooven, But not everything said that he knew of no other profitability of the commercial to more than one bank. banks in either country.

On the face of it, however, there are big differences between the UK and Spanish banking systems. For one, Spain seems to have hundreds of ing to sensible yardsticks such banks, whereas in the UK as shareholders funds the banks, whereas in the UK as shareholders funds the nobody would suggest that the British clearers will be clearly Big Four clearers do not dominate the system. But then again banks in the world, with Barthe 1979 Banking Act has uncovered hundreds of UK banks. This reflects not just domestic and quasi-banks which make a domination but extensive in-British list of banking institutives fuents around the world. tions quite long.

The reality seems to be that

Spain has its small group of dominant commercial banks too. The Spanish banks have These are the Big Seven, and nothing like this, and are only they are reputed to control now beginning to expand into

Spanish commercial banks are ambition. Only recently it very different from their UK counterparts, and much more one of the Big Seven, was like the big banks in West negotiating to buy a 49 per cent stake in Grindlays Bank of two other European countries. London That approach came to nothing but the implication must be that Billion will be leading industry, manifested by sub- be that Bilbao will be looking stantial shareholdings. These for something else in Europe. often go back to the days when the banks were set up to develop new industries throughout

Spain

In the past few years the amounting to supervision of the banks have been under some banking system until a few political and public pressure to years ago. Now the Bank of Spain has built up a superbeen quite successful in doing so But now there are said to be signs that opinion is turning, and people are once again demanding that the banks invest more—and over the medium and long term—in industry. In cerned with this increasing Britain, where industry is facing regulation and are not beyond a deep recession similar to that in Spain, pressure is on the clearing banks to support industry much more, and even to do the unthinkable take share

holdings in companies. There are other similarities too. The Spanish banks are very concerned about staff costs, which are said to have increased far faster over recent years than those of comparable workers. In response the banks are turning to automation, and one is left with the impression that they are at least as advanced in this — as far as ATMs and

The first attempt at reform

ation of the peseta. Prof. As a result the reforms were

IT WAS about a year ago that such like are concerned - as But not everything is the same in the two countries. countries in Europe where the Many people in Britain, as we margins between the costs of all know, do not have bank funds and the lending rates were current accounts. The proporso large as was the case in the tion is said to be much smaller UK and Spain. The comparison in Spain, and one is told that seems to have some validity, but the average Spaniard will have it is difficult to measure true several bank accounts extending

It is perhaps in their international relations that the big banks of both countries differ most. If bankers ever get round to measuring themselves accordseen as among the very largest clays probably in first position.

Ambition

natural areas like the U.S. and Latin America. This is not to In one major respect the suggest that they do not lack emerged that Banco de Bilbao,

> The similarities between Britain and Spain re-emerge in the area of banking supervision. vision department with over 80 specialised staff, and is taking the same close interest in indi vidual banks' affairs as is the Bank of England. Just like their counterparts in the UK, the Spanish banks are concerned with this increasing running anti-Bank of Spain

campaigns every now and again. My overwhelming impression of the Spaniards, and especially the Spanish bankers, I met is of a country and a banking system which are only now emerging from a long period of isolation. They want to be partof Europe, they are intensely interested in what the City of London will think of what they do and they are ware and they do, and they are very open. All in all, the people I met left me with the impression that Spain has no shortage of high calibre bankers.



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of the Cajas there was an historic high of 80 per cent of all deposits taken which had to be channelled either into Bank of directed investments.

The funds so obtained were called "privileged circuits" be-cause of the privileged interest rates paid by the borrowers. The system worked well in stimulating industrial development but with an increasingly sophisticated economy the circuits appeared more and more They were effectively the sole source of term finance. The Fuentes Quintana re-

forms reduced the number companies and sectors which could henceforth take advantage of this privileged finance At the same time It was decided to make a pro-grammed reduction in the amounts that the commercial, industrial and savings banks were obliged to set aside for this privileged funding. In the case of the commercial banks it was to move from 25 per cent to 21 per cent by 0.10 per cent bi-monthly reductions. The interest paid to the banks on these funds was also marginally raised, averaging 5.9 per cent.

to the market for funds at over Spain deposits or State- 20 per cent. This also pushed the demand for credit. Second, the banks were reluctant to help out with term financing. They felt they had to compensate for the "loss" on the uneconomic return on the money they were obliged to hand over to the Government.

Serious

Furthermore, with gradual reduction in the amount the banks were obliged to set aside for privileged funding, there was progressively less soft term finance available. This in turn forced the official credit institute, the ICO, to play_an increasingly active role. The problem of term finance was sufficiently serious that a temporary six-month freeze in the progressive reduction of the coefficients was introduced last August.

sought to tidy up these problems and push the system a little more towards liberalisation. The progressive reductions in the commercial banks' coefficients

many companies suddenly found The idea is that when the 21 per that instead of paying 7 to 8 cent figure is reached the per cent they were having to go authorities will decide whether to the market for funds at over or not to reduce it further. The Cajas' reductions will also become monthly but at the rate of 0.25 per cent until the coefficient reaches the figure of 25 per cent of deposits (currently 34.9 per cent) obliged to be set aside for public funds, and 10 per cent

> To encourage the commercial banks to provide medium and long-term finance, they will be required to place up to 7 per cent of their deposits with the Bank of Spain. This money will be non-interest-bearing but can be released when used in loans three years and upwards or for huying shares in non-financial companies. The banks are free to charge a market rate on funds so lent. The commercial banks will

(currently 15.9 per cent) for

special credits and loans.

not have to place this 7 per cent of their deposits with the Bank of Spain immediately. Instead the base will be 1.8 per cent (which they already have with the Bank of Spain for this purpose), rising 0.15 points per month—i.e., taking 34 months. The Cajas will have to

percentage monthly increments by the Bank of Spain that acts measure, of 0.25 per cent, with the first payment beginning last month.

The obligations of the commercial banks are now as follows: 5.75 per cent of deposits in cash with the Bank of Spain at nil interest; 3 per cent obligatory deposits with the bank bearing 8 per cent; 21 per cent for state-directed investment at around 8 per cent (including 3 per cent for export finance) and the 1.8 per cent redeemable for term finance.

Under the new legislation interest rates on this State-directed investment (mostly bonds) can be raised from their current low levels—though there is a 12 per cent ceiling. Export finance will have a rate ceiling of 10 per cent, as will the savings accounts of the Cajas—with emigrant savings an exception and subject to a 12 per cent ceiling.

Eased

Restrictions on interest rates as a whole have been eased. Banks will be free to establish interest rates on all credits save those funds already mentioned. This will create what will in effect be a prime rate. Until now months. The Cajas will have to there has been a preferential to over Pta 900bn. This is, there-from thinking in to place 10 per cent, reaching the rate (15.9 per cent) published fore, an important tidying up interest securities.

as a guide for prime borrowers.

All deposits placed between financial institutions will now have free interest rates. For individuals the current one-year minimum for free interest rates has been cut to six months for sums of Pta 1m and upwards. Foreign currency deposits will have no restriction. Rates have also been fixed for a variety of items previously not defined as current accounts (maximum interest 1 per cent). The legislation seeks to end a major abuse in deposit-taking and the payment of under-the-counter interest known as

"extra .tipos." Banks, for instance, were in the habit of accepting deposits for one year because interest rates were free. But then the customer was able to break the term with no penalty. This became particularly important with CDs (certificates of deposit), because they were not subject to tax. Obtaining extra interest in this manner became an important form of fiscal

CDs must now be for a fixed term and in parcels of Pta 1m or multiples thereof. In the past four years the volume of CDs has grown from Pta 500bn to over Pta 900bn. This is, there-

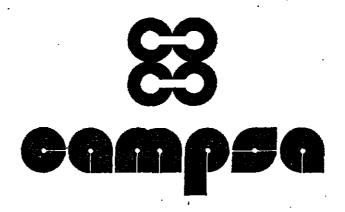
A final reform concerned the liberalisation of bank dividends. Since 1941 banks have been obliged to limit dividends to 6 per cent of total assets. However, the Bank of Spain will have the right to exercise wide powers of control over the next two years to ensure that banks do not decapitalise.

For some, these reforms do not go far enough. Certainly the system remains one where the State can exercise considerable powers of persuasion and control. A good many bankers believe that the chief bene-ficiary of the freeing of interest rates will be the State. The Treasury can now issue shortdated stock, and with all the special fiscal advantages that overnment debt enjoys. In a limited market this could influence the private sector's ability to obtain funds.

The authorities are conscious believe that with a poorly developed capital market, and public debt issues a recent phenomenon, there is a catalytic effect. They also believe that the freeing of interest rates will lead to greater innovation and encourage Spaniards away from thinking in terms of fixed

February 1981

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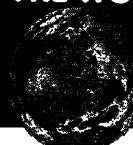
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Banking without frontiers.

ral—and the smallest, Popular. Indeed there are almost two groups in terms of total assets and deposits. The first group contains Banesto, Central and Hispano-Americano. The second contains Bibao, Vizcaya, Santander and Popular.

It is perhaps unfortunate that the leading merchant and investment bank, Urquijo, is excluded from this group since its loan portfolio is larger than Popular and almost the size of Santander. Urquijo is also the Spanish bank with the largest amount of loans in foreign cur-

More difficult to include but nevertheless important is the group of 18 banks majority owned by the holding company Rumasa. Taken together this makes the Rumasa Group the eighth largest private banking entity in deposit terms.

Banesto-

Banesto (Banco Espanol De

Wide differences in character

THE BIG SEVEN

ROBERT GRAHAM

OVER THE years the seven largest private commercial banks have acquired the name the Big Seven." In some important respects this is a confusing and artificial division, for there is a wide difference between the two largest banks in this group—Banesto and Cen-

Credito) was founded in 1902 in

<u>Madrid</u> and has established to merge with Central. itself as the largest but not the most diversified of Spanish com- the two biggest banks, but mercial banks. Management is regarded as conservative. conservative, thrifty and secretive, headed by 84-year-old Sr. share relationship with Banco Jose Maria Aguirre Gonzalo, the grand old man of Spanish bank-

Less is known about Banesto than any other major bank. Its [4d]). strenigh is in its solid reputa-tion and close ties with the former Franco regime. It has preferred to concentrate on

Pre-tax profits in 1979 grew industrial portfolio including 5.1 per cent, well below average petrochemicals (ERT). for the big seven, affected as it was by the need for substantial adjustment for portfolio write-downs and provision for doubtful debts. Psofitability in 1979, in terms of net income—total average assets, dropped from 0.88 per cent to 0.77 per cent. The bank had 1,755 Spanish branches and 20,538 employees at the end of 1979. Capital and reserves: Pts 60.4bn. Total deposits (September 1980) Pts 839bn.

Central

Founded in 1919 in Madrid and now aiming to be the largest bank in terms of total assets, Central is headed by Sr. Alfonso Escamez, 63, a self-made man who exerts firm control over all decisions. The hank is more aggressive than

Banesto but almost as secretive. Rapid expansion of branch network in Spain over the past five years is giving way to major initiative overseas especially in Latin Americato integrate the commercial interests of its own subsidiaries and affiliates that include Dragados, Spain's largest construction / civil engineering

Strength derives from solid, well distributed, branch network and wide ramifications of interests — insurance (Banco Vitalicio), merchant banking and investment (Banco-De Fomento), CEPSA (refining and petrochemicals). Central Group has the greatest spread of energy investments from pyrite mines to utility shares. In 1978 it absorbed Banco Iberico, owned by the Fierro family, making the latter the largest shareholders. It has just negotiated the purchase of ailing investment bank, Banco De Granada, with a large net-

Pre-tax profits in 1979 were np 2.3 per cent to Pta 8.2bn, well below the big seven aver-age. Profitability, in terms of net income/total average assets, dropped in 1979 from 0.76 per. cent to 0.64 per cent. At the end of 1979 it had 1,640 Spanish branches and 19,680 employees. Capital and reserves: Pta 63.1bn (Sept. 80), deposits Pta 794bn.

work in southern Spain.

Hispano-Americano Hispano - Americano was founded in Madrid in 1900 by emigres anxious to retain commercial links with Latin America. Headed by Sr. Luis Usera, 72, who sought in vain

Enjoys an important cross-Urquijo. This is also evident in a London based consortium partnership (Banco

Urquijo Hispano Americano

Active in a wide range of countries overseas, especially in Latin America and keen to get a substantial U.S. foothold. preferred to content only Group activities banking in Spain and only Group activities recently opened representative insurance, leasing and real estate in addition to a broad estate in addition including

> Three years ago it acquired two medium sized banks, Gijon and Mercantil De Tarragona. Pre-tax profits in 1979 up 15.4 per cent to Pta 8bn, but has a low profitability record com-pared with the big seven average. In terms of net income-average assets were 0.61 per cent in 1979. Spanish branches and 19,129 employees. Capital and reserves (Sept. '80) Pta 50.8bn. Deposits Pta 743bn.

Bilbao

has progressed from being a bank financing regional industrial development to fourth largest national bank, although retaining its headquarters in Bilbao.

It is regarded as one of the best and most aggressively run large banks with a wide degree of autonomy within manage-ment. It is headed by Sr. Jose Angel Asiain, 51, originally an economics lecturer.

Heavily involved in base industrial development (steel, engineering) but now well diversified, leaving the former to its

minded and increasingly of the equity. present in the Euromatkets.

per cent to Pta 7.8bn, moving within a year from being the least profitable of the seven to one of the most profitable. At the end of 1979 it had 1,095 Spanish branches and 17,462 employees. Capital and reserves (September 1980) Pta 52.6hn, ket via Puerto Rico. deposits Pta 614bn.

Vizcaya

Founded in 1901 as a Basque regional bank it has followed a similar path to its Basque competitor, Bilbao, to become the fifth largest national bank. Headed by Sr. Angel Gazindes. 62, executive management is

young and forceful.

Heavy involvement in base industry during the recent recession has forced the bank to reduce industrial investment and be cost conscious. It is still believed to be more rooted in the Basque country than Bilbao and retains headquarters there.

It is now formed into finan-cial group, Bancaya, with its own industrial arm (Induban) Founded in 1857 in Bilbao it plus subsidiaries for leasing as progressed from being a property and financing. Strongly ank financing regional indus-international in orientation and active in Euromarkets. Pre-tax profits in 1980 were

up 27 per cent to Pta 6.1bn. At the end of 1979 it had 782 Spanish branches and 10,567 employees. Capital and reserves (September, 1980) Pta 36.8bn, deposits Pta 448.5bn.

Santander

Founded in 1857 in Santander as a regional bank, it has moved from a strong regional base to be the sixth national bank with a big foothold in the industrial arm. Banco Industrial Americas. Of all the large de Bilbao. It is diversifying banks, it has the greatest family away from its Basque base in control and ownership. Sr. favour of a balanced retail net Emilio Botin, 73, presides, and

o merge with Central. work (purchased Banco de one son its deputy chairman. More outward looking than Huesca in 1979). One of the Botin family interests are first banks to be European believed to own over 25 per cent

Although secretive and pub-Pre-tax profits in 1980 up 30 licity shy, the bank has a reputation for sound management and has a solid presence in Latin America branches want -10 hanks that finance trade and handle emigrant remissances. The bank was quick to enter the U.S. mar-

.Considered the most consistently profitable of the major banks with 1979 pre-tax profits up 21 per cent to Pta 6.6hn. Profitability in terms of net income/total average assets was 0.96 per cent in 1979. At-the end of 1979 it had 754 Spanish branches and 10,904 employees. Total capital and reserves (September, 1980) Pta 48.9bn, deposits Pta 454bn.

Popular

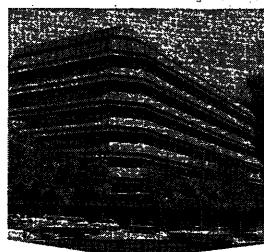
Founded in 1926 in Madrid Popular has gradually ex-panded to become the seventh largest bank. It has a reputation for innovation and was the first large bank to aim for transparency through informa-tive balances and an inter-national audit. Headed by Sr. Luis Vals Taberner, 54.

Unlike the other large banks Popular avoided major industrial investment. Having sought a number of stakes in European banks in the late 1960s and early 1970s, Popular last year began to divest, selling shares

in seven of the latter.

Popular has recorded above average profitability and in 1980 showed a net return of 1.01 per cent, up from 0.94 per cent. Pre-tax profits for 1980 were up 22 per cent to Pta 5.5bn At the end of 1979 it had 512 Spanish branches and 8,962 employees Capital and reserves (September, 1980) Pta 26.6bn, deposits Pta 325bn.

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Fundado en 1920

The next two in ranking

Urquijo

Founded in 1870 Urquijo established itself Spain's leading merchant and investment bank, having played a part in the founding and funding of much of modern Spanish industry.

One of the most family orientated of the large banks, it is headed by Sr. Jaime Carvajal Y Urquijo, 40, a Cambridge trained economics graduate and the youngest person in charge of a large bank. under 15 per cent of the equity.

The bank has a cross share relationship with Hispano-Americano. Although there are common directors, identities and strategies separate. Primarily involved in promoting industrial investment through equity participation, holdings include shipbuilding (Astilleros Espanoles), chemicals (ERT and

(Union Electrica). number of finance companies Maria Ruiz Mateos, 49, who and manages the funds of began in the wine-sherry trade Spain's upper income groups. and is now the richest man in In 1979 it set up a joint company with Amex to distribute credit cards.

Internationally orientated and active in world money markets, being the sole Spanish bank with 24-hour Forex coverage and the largest supplier of foreign currency loans. Foreign activity was an important strength during the recent recession.

Pre-tax profits for 1980 increased 10 per cent to Pts 2.4bn. At the end of 1979 it had 83 Spanish branches and 1,949 employees. Capital and reserves (September 1980) Pts 25.5bn, deposits Pts 99.9bn.

Rumasa Group

In 1964 the Rumasa Group bought Jerez, and since then it has acquired a majority stake in 18 banks, whose combined deposit base makes it the eighth Aragonesas), cement (Asland), deposit base makes it the eighth department stores (Galerias largest in Spain. The group Preciados), property (Vall- has concentrated on southern electricity Spain, reflecting the Andalusian

The largest bank in the group is the Barcelona-based Atlantico (canifal-reserves Atlantico (capital reserves Pts10bn) controlled through a 30 per cent direct stake. The banks are owned through the Rumasa holding company or via subsidiaries. Sr. Jose Maria has 50 per cent of Rumasa equity, the remainder being held by five members of his family. He sits on no bank board but co-ordinates through an executive committee. The group is secretive and never publishes its accounts, although now internationally audited. Rumasa iosists on retaining the separate identities of the banks even though most are small local entities and questions surround their future.

Total banking assets Pts875bm at the end of 1979 with profits of Pts1.2bn. Has 823 branches and employs 11,525 in its bank-

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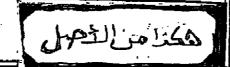
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Total capital

Mariens &

Inflow trebled during FOREIGN INVESTMENT

ROBERT GRAHAM OVER THE past five years the amount of foreign capital invested in Spain has trebled. Even allowing for the effects of inflation this is a remarkable increase. Foreign investment is now running at an annual level of around \$1bn.

It is a reflection of the increasing interest of foreign companies both in the Spanish market and in Spain as a launching point for their products when Spain Joins the EEC. The big names like Ford and General Motors (GM) have tended to grab the headlines. But it is not just a question of big multinationals and major investments. A good deal of foreign investment continues to be on a modest scale with half of all individual investment permits running at under Pta 50m (\$580,000).

Statistics can distort-especially since one large investment tends to inflate the figures for case in 1979, for instance, with Pta-24bn invested by GM as the first slice of its expenditure on Saragossa and a series of component plants in Spain.

The general trend of increasing investment is unquestionable, however. In 1975, the Government received 265 re-168 worth Pta 27.9bn. Five years later the Government received 577 requests of which year and 533 authorised to a value of Pta 85.4bn. The main increase in foreign investment has undoubtedly occurred in the latter part of the seventies. In terms of value foreign investment last year increased only 5.7 per cent but this was offset by a 26 per cent increase in the number of authorisations.

Consistently the largest single WITHIN THREE years of percentage of direct investment liberalising its banking system has come from the U.S. over the U.S. investment accounted for 24 per cent of the total worth names from the U.S., the UK Pta 20bn. The next largest came France and West Germany from Switzerland (17 per cent) followed by France (11.8 per Lyonnais, Societe Generale, cent) and West Germany (11.7 Bank of London and South per cent). The UK accounted America and Banca Nazionale for just under three per cent of del Lavoro—have long-standing total investment last year worth connections with Spain which

Until last year little thorough analysis had been made of the nature of foreign investment. The Ministry of Commerce, however, through which such investment has to be channelled, produced an in-depth study; thanks to this it is possible to gain a clear idea of where and in what form foreign capital has been

placed in Spain.
The study used as source material the reports and tax returns of 55,746 companies representing joint stock com-panies whose individual capital was Pts 2m or over. The study was based on 1977 since this was the first complete year

The study revealed that foreign capital in these companies eign capital in these companies represented 8.37 per cent of the rotal with a nominal value of Pts 218bn. Since this date the percentage has moved upwards slightly. One, of the main points about this percentage, however, in the it is not as high as some is that it is not as high as some imagined. It would be higher if the investments by Spanish companies from inside Spain in which foreign capital already has a stake are included. For instance, a number of investments in the foodstuffs, drinks, pharmacenticals and chemicals sectors are carried through existing Spanish companies either controlled by foreign

past five years

greatest area where foreign capital is concentrated is the holdings where the foreign motor industry. This is not surprising given the huge green-field investments by Fords, Renault, Citroen and more re-cently GM. Some 17 per cent of all foreign capital has gone to this sector and in 1977 had a nominal value of Pts 38bn. Since 1979 alone Pts 37.5bn of funds have been pumped into this sector from abroad—last year witnessing the purchase of a 36 per cent stake in Motor Iberica by Japan's Nissan and a commitment by International Harvester to invest up to \$250m in Enasa over the next five

The next busiest sector was petrochemicals and chemicals, absorbing 15 per cent of total investment. Investment in foodstuffs amounted to just below 5 per cent of the total nominal

capital had achieved the highest degree of penetration invariably required advanced technology or management techniques. The direct penetration was highest in the motor industry (59 per cent)—and is now far higher. heavily penetrated include detergents and perfumes (41 per cent), equipment and car hire (42 per cent),

One interesting feature exposed by the survey was that the bulk of investment lay in partner took 25 per cent or less of the equity. Over 40 per cent capital had less than 25 per cent foreign equity. The expla-nation for this is that traditioncompanies have been primarily concerned to sell they have taken small stakes to ensure the latter's proper use and payment. One-third of all foreign royalty and patent payments by Spanish-registered companies is made by the latter group. Of the capital outflows as a whole 49 per cent repre-

Payroll

The study also confirms the impression that foreign investment is mainly capital-intensive. Those companies where there is foreign capital sell and buy more goods and have a larger staff payroll. The study showed that these companies sold eight times more goods and created six times more jobs than the average Spanish concern with-out foreign capital. (The out foreign capital. (The average job ratio was 184 to 29.)

sented technology payments and 19 per cent dividends.

mentioned, like cars or chemicals, foreign concerns have sought to use majority stakes to control production and market penetration. But quite often companies have been content to rely on income from technology. realising that this is cheapest form of investment. Now foreign companies are analysing the need for a physical presence in the Spanish market in order to prepare against the day when Spain joins the EEC and tariffs begin to come down. At one level there is a

The traditional motive has been to get round high tartiff barriers

and obtain access to the Spanish market. In the sectors already

measure of disinvestment. This has been the case in the refineries, where, for instance, Chevron and Texaco have pulled out rather than face heavy new investments. At another level companies like GM are investing in new operations to take advantage both of the oportunities for the mideighties. A third category is where foreign companies absorb existing Spanish concerns which need rationalising and are unable to face tough European competition—this is for instance, with the edible oil industry. Finally there are new areas previously closed to The reasons for foreign in- foreign investment, like bank-

Elite group of leading names

FOREIGN BANKS

MICHAEL LAFFERTY

foreign banks. The list includes virtually all the familiar top names from the U.S., the UK, Four of these banks-Credit date back to before the Civil War. In addition Bank of America was involved in a joint venture with Banco Hispano Americano, one of Spain's Big Seven, for some years before the recent influx of new banks.

· Barring the above banks all the other foreign banks have set up in Spain as branches, and the Spanish banks had clearly hoped they would keep their activities to areas which were not too directly competitive with domestic banks.

These hopes were dashed recently when Barclays Bank announced that it was buying control of Banco de Valladolid, a bank with branches in all the main Spanish cities. Valladolid was one of several banks which had faced financial problems in the past few years, and had been rescued and substantially restructured by the Cor-poración Bancaria, an institu-tion which is appropriately known locally as the "bank

Barclays is paying \$70m for Valladolid. By Spanish stan-dards this is a major investment. Barclays secured Valladolid because it was the only bidder in an open tender. For this reason it is difficult for the domestic banks to complain too much about the deal.

The Barclays' acquisition is

versation within the Madrid banking community at the time. The balance of opinion among local banks is that Barclays has paid too much, and that there are bound to be some unpleasant surprises in the loan portfolio. But there is also a feeling of admiration for Barclays' courage, and this is reflected among the foreign banking community in Madrid

Valladolid, any foreign buyer of Spanish bidding to pay more. The British interest could come from any of the other clearers, though NatWest would seem the most likely, or from Standard Chartered. It seems unlikely that the Midland Bank group has indicated any interest since it has yet to open its branch in Madrid.

Expansion

Nevertheless, Midland's plans for expansion in Spain are attracting considerable interest there. Its most likely course of development could be to open a second branch in, say, Barcelona, while developing further links in the leasing and finance house sector, an area which is not considered part of the banking industry at present Midland already has an associate stake in Finamersa, a finance com-pany controlled by Banco Hispano Americano which is said

to be very profitable.

It is interesting to note that Citibank may have a similar strategy, at least in part. It is currently in the process of buying into the finance house sector in Spain.

Of all the big British banks. Lloyds would appear to be best placed in Spain. Its subsidiary, Bank of London and South America, has been there for decades and has very strong local connections. Essentially

a retail bank until a few years back, when a particularly dynamic new chief executive came along and built up a parallel wholesale banking business.

Nevertheless, other foreign for its Spanish operations. They point to the fact that BOLSA of Spain is essentially a retail bank still, and that it is operating in a market where margins can The betting is that whatever be very good. As such it ought weenium Barclays paid for perhaps to be expanding further into the consumer field in Spain Banca López Quesada, most Against this, however, bankers interesting of the two remain- observe that Lloyds only the Corporación recently pulled out of retail branches there to Barclays.

It is not just the better known

banks of the world which are anxious to expand in Spainthough many local bankers remark on the fact that the Gertoo expansion-conscious. It is widely known in Madrid that Bank of Credit and Commerce International (BCCI), the Luxembourg-based bank which is a licensed deposit-taker with 40 branches in the UK, would very much like to set up, and possibly even acquire, a bank in Spain. However, the present indications are that the Spanish authorities are not favourably inclined towards such a move. preferring to limit the foreign banking community to an elite group of the world's largest banks.

There seems little doubt among the foreign banking community already in Spain that opportunities are The Spanish finanbusiness abundant. cial system is so structured that there are many opportunities for creating devices, such as the new market in acceptances, and for general innovation. Barring a foreign takeover of Lopez Quesada, however, the likeli-bood of further foreign acquisitions traditional banking sector seems remote for the next five years

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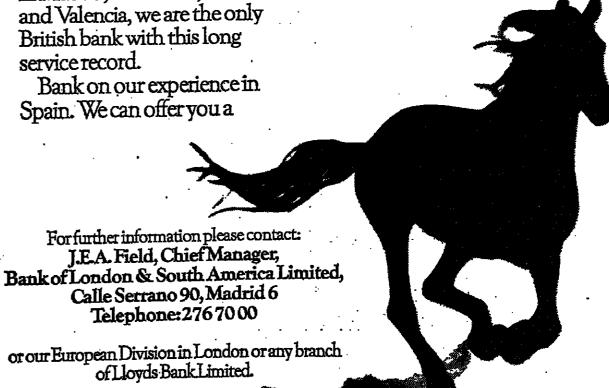
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SPANISH BANKING AND FINANCE VI

Still a very narrow market

BOURSES

JANE MONAHAN

THERE ARE two views on the performance of the Spanish bourses (stock exchanges) in 1980. On the positive side, for the first time since 1974, the general index in Madrid recorded an increase in share values of 6.11 per cent; this year activity of bank shares, and 80 the rise has continued, with an exceptional 7.83 per cent increase in January.

The other side of the coin is that this rise does not yet imply a revival. The shares offered in Madrid are attractive to a potential investor and average dividends last year were five points higher than the rate of inflation. None the less the bourses continue to be shunned by medium-sized industries and the small urban investor; total subscriptions on all four ex-changes in 1980 — Madrid, only 1.8 per cent of the total, Barcelona, Bilbao and Valencia or Pts 1.7bn (\$21.5m). (which account respectively for 60 per cent, 20 per cent, 14 per cent and six per cent of busi-ness conducted) -- amounted to only Pts 158.6bn (\$1.9bn). This reflects a 12 per cent decline in the value of transactions, on the heels of a 17 per cent drop in

The principal declines were registered in trading in ordinary shares, for the second successive year, and for the first time, but in an accentuated way there was a 37 per cent decline in subscriptions for bank bonds (Bonos de Caja Bancario). The rest of the fixed interest security market, which chiefly negotiates public debt issues and industrial bonds, increased considerably in 1980, but the market continues to extremely narrow.

As a source of finance for the private sector the contribution of the Bourses therefore continues to be weak. Compared with 1970, when an estimated 2m Spaniards owned shares, and when the exchanges provided around 30 per cent of all external financing, by last year this percentage had dropped to around 10 per cent. On the other hand the banks' position as the chief suppliers of credit to the private sector has been consolidated. The banks accounted for roughly 80 per cent of all external financing in 1980.

So why did the share index

One of the most striking features of the Madrid exchange is that out of the 938 points on which the index is weighted, no fewer than 306 are accounted for by commercial banks, 74 by industrial banks, 209 by electricity companies, and 109 by monopolies such as Telefonica, the national telephone company, and Campsa, the State petroleum products marketing monopoly.

In fact, 40 per cent of the rise in the index reflects the per cent of this reflects the activity of the seven large commercial banks. Furthermore, demonstrating the narrowness of the market, last year just 14 shares were the subject of regular trading, of which four belong to the electricity companies and 10 to the banks. Meanwhile, the banks and electricity companies alone accounted for 67 per cent of all subscriptions. By contrast, ordinary shares picked up by

Unexpectedly

What the rise really reveals

is that despite the deep industrial recession and record rates of unemployment, two sectors at least are doing well. The rise in the index accompanied the unexpectedly good results obtained by the electricity com-panies (these were announced mid-year) and the year-end announcement that Spanish banks had achieved their big-gest profits since 1977. In turn these increases had a direct impact on the share values of those companies—for example, Spain's largest insurance com-pany. La Union y El Fenix, in which Banesto, one of the big-gest commercial banks, has a majority participation. The rise also reflects greater

confidence by traditional investors in the country's political and economic future. This was apparent last September when the bourses reacted favourably to a Cabinet reshuffle, and again on January 29 this year. Then Sr. Leopoldo Valvo Sotelo, Deputy Prime Minister for Economic Affairs and a man closely linked to the banking establishment, was tipped to succeed Prime Minister Adolfo Suarez. Immediately the indexes on all four exchanges shot up by between 1-2 points, led by a spectacular rise in the index for bank shares of between 6-10

DEALINGS ON ALL EXCHANGES

	1977	1978	1979	1980
Public issues	12	23	13	16
Private issues	161	193	176	142
Total	173	216	190	158
Fixed interest securities	45	62	59	· 40
Bank bonds	40	53	55.	. 34
Industrial bonds	4	8	5	6
Ordinary shares	116	131	117	102
			•	16

Source: Bank of Spain; Madrid Exchange publications

On the side of progress, one novelty has been the consolida-MADRID STOCK tion of an acceptances market EXCHANGE which was launched in January (indices end-1980) last year by three foreign banks and by a Spanish indus-trial bank, Induban. Reflecting Commercial banks

the need for this market, which is providing an outlet for some large Spanish companies and Industrial banks Electricity companies private investors who might otherwise not have had Construction this option, the total value of transactions last year was Pta 16bn (\$200m) in all four Unit trusts and insurance State monopolies exchanges. Of this amount the Steel metals Madrid exchange accounted for around Pta 12bn (\$150m).

The chief attraction of this market is that it is lively and Source: Bank of Spain; Madrid Exchange publications is not subject to the same kind of tax controls at the fixed shares. In fact, a continued disinterest securities market. torting feature of the fixed None the less, as a direct con-sequence of the activity of interest market, and one that limits its development, is the Banesto, which spent around existing system of tax exemp-Pta 4bn (\$50m) in this market last year, the costs of partici-According to this, Governpation are prohibitive for small investors. The smallest dement debt issues and shares offered by the official credit nominations are now averaging

Pta 250,000. A further development couraging Bourse activity is the Government's growing reliance on high-yielding public debt issues as a way of raising finance to cover the budget deficit. Last year the Government placed a total of Pta 80bn in short-, medium and long-term debt issues (\$1bn), and this year it plans to place a total of Pta 120bn (\$1.5bn).

That said, private banks, which subscribe up to 90 per cent of all the issues, are highly gan to be implemented. Four ence between the two fatteritical of the privileged fiscal decrees liberalising exchange plying a net loss, has conditions enjoyed by these activities were published last covered by the company.

hours or outside them now have

to the Ministry of Economy.

September. These are broadly

aimed at preventing a manipula-

tion of share prices.

Furthermore, all orders involving large transactions that lead to a 25 per cent stake in a company now have to be made:

public. This ensures that a minority shareholder has a chance to sell if he wishes before the transaction takes place. Reactivating the Bourses is

now a matter of policy and the authorities are planning to launch a major publicity campaign to coincide with the 150th anniversary of the Madrid stock market in September. This campaign is going to be aimed principally at young professionals, but not at middleaged Spaniards.

These burnt their fingers hadly with the sharp decline in share values in 1974, when they found that companies like the Telefonica, which financed most years of General Franco by had hoped for.

Meanwhile, working in the opposite direction, the development of the fixed interest market continues to be limited not just by tax controls but also by the requirement that no in- bourses. per cent tax exemption. This vestment can be withdrawn for a period of three years. Another institutional: pecu-

between two to three points to Thirdly, last year, for the first time since 1977, when a commission was appointed to reform the Bourse, some of the commission's recommendations be-

veloped brokerage system in Spain. There are also almost no It was decreed that all companies have to provide detailed organisations suited to the ineconomic and financial informa- terests of the small investor, tion on their situation every such as pension funds and three months and at the end of mutual funds. Instead, all each year. In addition, all transactions on the bourses reorders made during Bourse

Thirdly, a persistent limita-tion is that there is still no de-

quire the intervention of dealers who combine these activities, which are liadly paid, with those to be communicated to the Sin-dicato de Las Bolsas—and this of acting as a notary in all record may be made available credit transactions for the private banks, for which a dealer Another important feature of may earn up to \$1m in commis-the decrees is that the practice of providing compensation to shareholders for delays in the banks for finding their clients. execution of their orders is now and this tack of independence is aggravated by existing regulations which limit the number of dealers on each exchange and prevent the formation of associations of dealers covering

Watchdog

Fourthly, the most serious doubt raised in connection with the application of the new liberalisation measures is that the Bourse authorities and the overali council still do not represent all the groups which carry out operations. Nor does the council act as a watchdog. Instead, it represents the interests of precisely those groups it is designed to supervise.

Against this background there were two other developments in 1980. First, continuing liberalof its expansion during the last isation moves begun in 1973, years of General Franco by the Government decreed that issuing shares, did not bring insurance companies and credit the profits thousands of institutions may now invest in institutions may now invest in Spaniards who had bought them foreign exchanges as well as in Spanish unit trusts. Last year the net profits of this investment were Pta 1bn (\$12.5m). This compares with net profits of Pta 500m (\$6.25m) by foreign investors on the Spanish

Secondly, the mini-bourse in Valencia was converted line a fully-fledged stock market. This liarity, acting as a brake, is the move fulfilled a political pledge, regulation that all new shares made by the former Deputy and capital increases have to be Prime Minister in charge of issued at par. With many share economic affairs, Sr. Fernando values now being quoted well Abril Martorell, who is also below their nominal value, this deputy for Valencia. It contrameans that the exchanges are dicts, however, the general now actually having a negative economic trend in other couneffect on financing. The differ- tries towards reducing the ence between the two fates, im- number of individual exchanges plying a net loss, has to be and integrating them at a time

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THE BANK HOSPITAL MICHAEL LAFFERTY

WHY DID it happen? What was it that brought about the series of recent banking failures in Spain? Those responsible for sorting out the mess are in agreement that the factors involved include the long-drawnout recession, bad lending and bad - sometimes fraudulent management. It sounds only too familiar.

The Bank of Spain is particularly concerned to emphasise that none of the failures was primarily related to the heavy industrial links of many Spanish banks. Governor Rendueles is emphatic that the cause lies for the most part in the incapacity of bank management, coupled with "irregular behaviour in having risks related to some of the directors of the banks." In most cases an important part of the failed bank's assets were tied up in property, where values fell off sharply from 1973

Altogether there were 12 different cases where banks failed, and the authorities had to step in to protect depositors. But the total amount of deposits

involved was only about 4 per to subscribe to the Fondo. Howcent of the total banking system. ever, any bank may now request The body which has been mainly concerned with the bank would forfeit its right of refailures is of course the now famous Corporacion Bancaria (CB), affectionately known locally as the "bank hospital."
It was formed in February 1978
as a company whose sole objective was to acquire a majority shareholding in banks which found themselves in difficulties, to re-establish sound management and a secure base for operations, and ultimately to restore the failed banks to the private sector. Where banks simply cannot be revived they

institute (Instituto Oficial de

Credito) are entitled to a 22

privileged treatment means that subscription of these

shares is assured as it can add

the return offered as against

nominal fixed interest securi-

Approximating

The initial capital of the CB came as to 50 each per cent from the Bank of Spain and from the private banks in pro-portion to equity and deposits, Today the CB maintains close de Depositos. This is really a branch of the central bank, and its object is to provide the private depositor with some degree of protection in the event of a bank's failure.

Initially, all banks listed on the official register were obliged

its exclusion but in so doing course to finance from the Bank of Spain. Each depositor was initially covered up to a maximum of Pta 500,000, but in March 1980 the limit was increased to Pta 750,000. It appears that, in practice, the Fondo is becoming an im-

portant arm of the Bank of Spain in its efforts to increase supervision of the banking system. The central bank is able to bring pressure to bear on banks to have an audit, by re-fusing them permission to distribute more than 6 per cent of shareholders' equity. Entry to the Fondo may also carry this imposition. It is partly through such devices that the Bank of Spain

has pressured Sr. Jose Maria Ruiz-Mateos, head of the Rumasa group, to have an audit carried out of his 18 separate is assuming increasing importance in the Spanish banking authorities are concerned that some of these banks may have centrated in parts of the Rumasa industrial group. This audit, which is now under way following the appointment of accountants Arthur Andersen, is not expected to be complete for possibly another six months.

to commit suicide." has four banks under its juris-diction, including two which have already been sold — Ranco de Valladolid to Barclays and Banco de Granada to Banco Central. These two banks are in the final stages of prepara tion for their return to the pri vate sector. In the case of Valiadolid, this preparation has involved the CB in replacing 50 per cent of the bank's staff.

The two banks whose future has yet to be decided are Lopez Quesada, where a second foreign buyer seems a possi bility, and Banco Meridional.

The CB hopes to arrange the tender offer for Lopez Quesada before June. As in all previous sales, it will try to recover the cost of the total rescue operation and arrange repayment of all financial support. might imply a price tag in the region of £15m.

As a result of the activities of the bank hospital and the Fondo, bank depositors have not bank failures. The cost of the operation to the Bank of Spain is somewhere in the region of Pta 50bn. Shareholders have probably lost anything between Pta 30bn and the same amount



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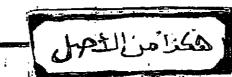
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The home of the 'Pittsburgh prescription'

Ian Hargreaves visits the U.S. steel company where Ian McGregor formulated ideas he now believes can save BSC

SCOTTISH-BORN, but schooled contrasts between British Steel when in December 1978, LTV Today, J and L has no con- as possible about the company's for the U.S. steel industry in the world of U.S. business, Ian McGregor has brought much useful financial and industrial experience to the office of chairman of the British Steel Corporation.

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parallel between his long career in America and his, as yet, very short spell in a top executive position in the UK, is to be drawn at Jones and Laughlin, the third largest steel producer in the U.S., of which MacGregor was a non-executive, part time director between December, 1978, and July, 1980. He has himself referred to

the experiences of J and L in discussing his strategy for reducing manpower, while retaining steel production capacity at British Steel and thus has come to be known as the man with the "Pittsburgh prescription" for BSC—after the town where J and L and indeed much of the U.S. steel

industry is headquartered.
Tom Graham, president of J and L since 1974 and a man who has spent his career with J and L, says he is "very wary" of comparisons between his company and BSC. "There is a completely different work. ethic in the two countries," he

points out This is not the only difference between the two companies indeed work ethic is one of the more questionable differences. For a start, J and L is privately owned, so management does not have to answer to government. The U.S. economy is fundamentally stronger than the British and consumes more steel than any other. All U.S. steel companies have one trade union and the master contract 1970s, twice making annual them, which it doesn't. Between between the two sides states that the company may decide unilaterally how many men will operate a new piece of equip-

ment and who will do what.

some compelling similarities. Both are in weak financial almost bankrupt Youngstown snape - although BSC is in Sheet and Tube, another large immeasurably worse condition steel company with a lot of today than J and L—and both useless plant. "A suicide pact." But the most tempting have only limited resources to do something about it. Each has been through the corporate trauma of organisation and reorganisation — BSC through nationalisation, J and L

through two mergers. But the key area for potentially fruitful current comparison lies in the two steelmakers' application of the magic word "productivity" — increasing steel output per man while maintaining tight limits on capital spending That, in essence, is what MacGregor means by his Pittsburgh prescription, "Management must focus its attention not on equipment, but on people,

Hobbled

J and L, like many other U.S. steel companies, was in the late 1960s a technologically outpany which, when steel demand and L's steel today is produced like hot metal. But when demand fell, a heavily indebted arc furnaces, which use scrap owner could find himself in metal as their main raw serious financial trouble. That material. happened in 1970, at which time J and L's parent company, LTV Corporation of Dallas, Texas, started to try to prune itself back into health, based upon three main activities: steel, food and aerospace pro- BSC's Port Talbot, Ravenscraig ducts

profits; in that time it was never

whose biggest unit was the was how one analyst described

it at the time. astonishing. Even more perhaps, was the announcement last summer that LTV was considering buying Kaiser Steel of California, the ninth largest U.S. steelmaker, and the sickest, having produced 16 consecutive quarterly operating

The Kaiser episode, although it never came to anything, was based upon LTV's confidence that it and Tom Graham had found a way of making money out of apparently marginal steel production companies, or at least had found a way of preventing big losses in market downturns. Graham's approach has been

to shut down plant which uses too many people and too much energy—I and L is the only major U.S. steelmaker with no open hearth steelmaking equipment-and to spend carefully moded, badly structured com- on new equipment. All of J was booming, churned out cash either by the basic oxygen furnace method or in electric

This production strategy, of course, is applicable only to J and L's very special situation. The company has no vast, ocean-side sites for worldscale integrated steelworks (like or Teesside units) even if it LTV hobbled through the had had the money to build losses and twice (in years of 1975 and 1979, J and L spent steel booms) making reasonable only \$765m on capital projects -but that was 84 per cent of saddled with less than \$1bn in LTV's total, indicating that the parent company was already So there was astonishment scraping a very shallow barrel

and J and L, but there are also bought out the Lykes company, tinuous casters, the energy affairs. saving process by which over half of Japanese semi-finished steel is produced. Graham would like the money to build some, but he doesn't have it.

Instead, he has tried to make of his people. He lists seven ways for top management to create the right climate for improving productivity.

1. Get the right organisation structure. J and L has gone for a decentralised, profit centre arrangement, divided along the company's five main product lines. Each centre takes responsibility for sales and production

2. Recruit effectively. J and L has a vigorous graduate recruitment programme and young graduates are increasingly present in the company's cadre of plant superintendents, the key shoofloor managers who are the lynchpin in successful industry management. Graham believes.

3. Train well and create career paths, so that talented average salary of \$50,000 per people thrive, prosper and stay with the company.

4. Promote according to merit according Pay to

performance. 6. Communicate fully with all

7. Involve shopfloor workers

in problem solving in the production process. None of these ideas is

unique, or even highly unusual, but Graham holds to them with ends meet by getting more out a passion and commitment which is not immediately obvious in his smiling and

Bonus

That said, Graham admits and L's compensation system is "highly imperfect" and will remain so in a complex industry. But the important thing is that 85 per cent of the workforce is part of an incentive scheme of some kind and at the management level, that involves each individual regularly agreeing objectives with his superiors (Graham does the same) and receiving a bonus according to the degree to which targets are met. Superintendents, each of whom has charge over between 75 and 700 people, receive an year and an average 60 per cent bonus on top of that. Nor does the bonus drop in a bad year for the company, so as long as targets are met. "People can make a strong contribution in a down year," says Graham.

the hourly paid members employees. Respond to of the United Steelworkers, the grievances and inform as fully incentive scheme is, unusually

based upon efficient use of equipment rather than pure output. According to Jimmy Coine, head of the union's District 19 in Pittsburgh, that has produced the best pay-off in the industry for J and L workers. Not surprisingly, other companies have resisted union pressure to take the same route.

As for improving the production process, Graham is dedicated to the idea of solving problems at the point where they arise—"management by attacking bottlenecks' he calls it. The idea is for someone, often a superintendent, to identify the process in plant's production cycle which is currently holding up production speed and to work on improving that with the operators involved.

The style of communication and reward, however, is far from that of any European style industrial democracy model. Graham is a member of no committee involving shopfloor workers and, a staunch Republican, he strikes no politically pro-labour or populist poses. He is a quiet manager, but a successful one.

How successful, though, is another question. Overall measures of productivity im-Overall provements are notoriously unreliable. But it can at least be said that in 1979 J. and L. with 39,000 employees shipped

Tom Graham: "Management must focus its attention equipment, but on people."

8.58m tons of steel and that in last year by a fitful U.S. 1974, a year of comparable economy. The outlook is far demand in the U.S., J. and L. from bright this year too, and and Youngstown Sheet and in the longer term, J and L Tube shipped 8.5m tons with must be worried about its ex-50,000 employees. That was done with modest capital resources and without any appreciable change in market share. Part of the gain, however, was a product of obvious to smaller cars. J and L remains rationalisation of facilities an old-fashioned steel com-following the Youngstown pany with its major plants in Youngstown merger, although both LTV and

trough. looking back on a five-year. This does not mean, of course, period, 1975-80—when it aggrethrough. that either J and L or LTV have put their problems behind them. J and L is still closing plantsclosed-and J and L's profits (\$171m in 1979) were halved

J. and L. deserve considerable

praise for the smoothness with

which this merger was carried

tremely heavy dependence upon the U.S. auto industry, whose demand for steel has been perimported vehicles and the trend pany with its major plants in the declining. Mid-West and the declining. has a significant problem in combating low-cost foreign pro-ducers. LTV, meanwhile is

gated net profits of \$311m on sales of over \$34bn. a Pittsburgh strip mill has just Pittsburgh prescription, there

As for British Steel and the trying to press the comparison.

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EMPLOYEE BENEFITS

THE publication of the Scott Report on indexed pensions has again focused attention on one of the major problems facing the company pensions fieldpreserving the value of a pension in real terms against the ravages of inflation.

Inflation is the overriding problem for funding pension schemes—as it is with many other aspects of company operations. Employees protect them-serves against inflation by negotiating for rises in earnings. This is reflected in the company pension field by basing pension on earnings at or near retirement. Almost all company schemes adopt this final salary structure, so it could be said that while an employee is working, his pension remains inflation-proofed. When he retires his pension is adequate.

But pensioners have no bargaining power once they have retired. Union negotiators still concentrate on conditions for their working members to the neglect of pensioners. So pension increases are not automatic, but left to the discretion of the company. The absence of any employee pressure tends to keep those increases low and infrequent. If no steps are taken to restore the real value of the pension, then surely the funda-mental purpose of having a pension scheme—i.e. to provide an adequate level of income— has not been achieved.

So on logical grounds, the pension scheme needs to ensure that pensions being paid are constantly increased to provide at least partial protection against inflation. This applies whether it is a public service, a nationalised board or a company scheme.

The index-linked pension imbroglio

is the tradition that pension payments are guaranteed by employers and paid for in advance so that whatever happens to the finances of the company. the pension promises to date are secure.

Actuaries can calculate the cost of funding index-linked pensions, and on the basis of reasonable assumptions as to future inflation and investment returns, the contribution rates are not astronomical. But if these assumptions are not borne out, costs escalate and there is no upper limit. Employers have refused to write a blank cheque for pension liabilities, even if the chance of that cheque being called on is very remote.

No such reservations exist in the public service where the Government can guarantee index-linking, because it can meet the cost, however high, through taxation and by printing money.

The costs of paying index-linked pensions has been high —an estimated £1.3bn in 1980/

mittee to investigate pensions. Mrs. Thatcher was expecting that index-linking would be condemned by the Committee as unjustified and too costly.

Instead the Committee defended index-linked pensions and recommended that they should be extended to the private sector. Such a decision should not have come as a The Committee accepted the costs problems, though it defended the Government Actuary's calculations as being just acceptable, and offered the solution of indexlinked gilts for pension funds. The report solved nothing.

So the most likely outcome following the publication of the servants will continue to have guaranteeing equivalent bene-fits for their schemes.

wherever possible, the Govern-ment set up the Scott Com-with. The pensions movement radical change of thinking.

It has to be accepted that

Actuaries could relax their report is that everything will funding requirements when carry on as before. Public considering the financial health their index-linked pensions and of the need to cover the employers will still be wary of guarantees already given, too

But the problem of inflation resources are will not go away and employees amounts to less money being

needs to think positively about index-linked pensions, they bringing the private sector up towards the level of the public sector. It will however mean a level of employee contribution

employers cannot guarantee inflation-proofed pensions. But there is no reason why a pension scheme should not set as one of its targets the revaluing of pensions at least partially in line with the RPI; and the scheme should fund towards this. It may mean the employer paying more, but as long as it is an intent and not a guarantee the costs should not be excessive.

of a pension scheme. Because much money goes into reserves to cover future pensions; since

81. In an endeavour to cut costs without indexed pensions will spent on improving current pensions.

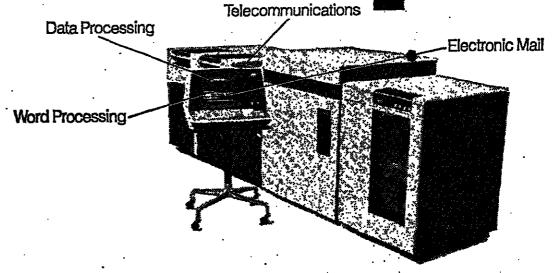
Secondly, if employees want must be prepared to contribute towards the cost. The current averages only 4 per cent of earnings. There is room for higher contributions without their being onerous. Yet many employees still regard paying for a pension as a drain on earnings that could be better used elsewhere.

A radical solution could be to switch from a two-thirds pension that relies on discretionary increases, to one-half pension with inflation-linked increases each year as far as possible. with employees topping up through additional voluntary contributions.

But the most urgent problem facing companies is to improve the pension levels of current pensioners who over the past decade have borne the brunt of

Eric Short

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In search of the FT's worldspeak

BY BRIAN GROOM

for the would-be universal language Volapuk (prenounced Britain's Lord Privy . . . what?). vollapuke") expounded by a man from Scunthorpe on the BBC's often ludicrous Nationwide programme. I reached for the calendar to check that the date was not April 1.

It is not. Volapuk is, like the better known Esperanto, one of those artificial tongues which command the enthusiasm of a few but the apathy of the many. One of 53 universal languages proposed between 1880 and 1907, it claimed nearly Im adherents in 1889 but today is all but forgotten.

Impractical

For over two years a group of us have been trying to make our own little contribution to the spirit of international comprehension, by producing an international edition of the Financial Times, printed in Frankfurt. You, gentle reader, may have it in your hands but if you are in Britain you probably will not.

Ruling out the likes of Volapuk or Esperanto as our medium because virtually noone speaks them, and rejecting strip it too naked of its idioms practical, we were left with English as our universal

Many claim pre-eminence for it as such. As the dubiously-named Pax Britannica of the 19th century was followed by the somewhat hopeful Pax Americana of the mid-20th, English grew to be the first language of over one tenth of the world's population. Chinese is spoken by twice as manyon some estimates, by over a quarter-but there are several variants and it is not so widely

Our problem was: should we use English in its full wealth of idiom, or make it plainer for foreigners reading in their second language, probably in a going so far as to limit our-Much of our work has been to

† Indicates programme

BBC 1

6.40-7.55 am Open University

WHEN FIRST I saw the case state-owned vehicle manufacturer); Sir Ian Gilmour (comma

> But there is a kind of English writing which poses special problems. "The Prime Minister went on to the front foot in the Commons yesterday to hit what she took to be a legbreak for six, but the ball that left the back of Mr. Michael Foot's hand turned out to be a cleverly-disguised googly . . " That creates difficulties in Milan or Paris. ("Pourquoi Mme Thatcher est-elle on a sticky wicket? ")

> Problems of comprehension are not uniquely ours (a recent listener to the BBC's Yesterday in Parliament said: "Mais pour-quoi dit-on 'ordures, ordures'?"). But our special perplexity is evinced by the fact that, because of the FT's expansion, and because this column appears in the same form in Britain and abroad, some foreign readers will not understand a good deal of what I have written so far. Much more of this kind of stuff and I will be endangering an expensive investment project.

There is a further, more philosophical problem. A language is not just a tool, it is the embodiment of a culture simultaneous translation as im- and it becomes devoid of humanity. Few readers ever know the cries of "Murder!" that go up from proud writers when an ambitious metaphor is aborted before birth in the Frankfurt edition.

Flexible

We perform a delicate task to tight deadlines, often arriving at compromises in our attempt to make English plain but leave it undamaged; pundelights of the British Press, are permitted only if they still grammatical sense make whether or not the reader understands the pun.

On the whole, it is probably hurry? We opted for a mild as well if there is not too much form of the latter, while not monkeying around with the monkeying around with the world's languages. English, as selves to such devices as the both the language of Shake-850-word vocabulary of Basic speare and the main inter-English, devised in 1929 by national medium of commerce, C. K. Ogden of Cambridge. is strong and flexible. But linguistic empires must be explain British names and extended cautiously, lest they terms: BL (comma the UK be stretched too far and fall.

Slow swing towards videocassettes

the challenge that video presents; and the video industry in both 16 mm and videocassette has frequently made reckless claims in exaggerating the nature of this challenge. Somewhere in between is a reasonable case for saying that the future of film is being eroded -inevitably, but slowly.

One of the reckless claims about video has centred on its advantages over film as a production medium, especially for industrial and commercial purposes. Yet the most serious challenge from video to film in this sector is really as a distribution medium.

The case is a simple one to present. One hour of spooled 16 mm film weighs around ten times as much as a one-hour VHS videocassette, is about four or five times greater in bulk, and costs, say, £160 to print against under £10 for a VHS cassette (at maximum price reductions available). The film will only last for about 60 screenings, the cassette a few hundred

Furthermore, the convenience in screening a videocassette-straight into the machine, no darkened room or cablesmakes it a preferred medium in the office or canteen, whereas preparing for a film show is atest of tenacity. The arguments about bigger screen sizes and superior quality have not been enough for film to hold its

THE FILM industry has often ground in these circumstances. Video Arts because the potenshown a reckless disregard for In consequence, film libraries tial audience is almost everyone that revealed one possible route still photographs can possibly in presentation to stock which hold many of their titles versions are reporting a slow swing towards videocassette usage-at the expense of film (viz. not just new users, but in the spirit of its message- reached a potential audience of existing film borowers). Video Arts, the training film company which boasts John Cleese and Tony Jay (yes Minister script-

> for videocassette versions. For the training manager, the advantage is here not so much cost (because the savings are barely passed on to the customer) but convenience. Even one trainee can run the cassette alone, without an operator.

writer) amongst its talents,

reports that latest booking

records show 20 per cent are .

Video Arts has just released

a further two films on its neverending production line-How Does a Computer Work and You'll Soon Get the Hang of It. Both are, indeed, films—shot on 16 mm, albeit available on video. In passing, I cannot fail to remark that neither has that sparkle and ingenuity which once used to characterise the output of Video Arts, although it is not much different in that respect from most of its competitors.

The interesting point about the second of these films, You'll Soon Get the Hong of It, is that to replace print and paper, but its subject is the technique of it could always happen. " one-to-one-training " This is an ingenious marketing idea for poration

from foreman upwards. And for companies to travel-satelwhereas it would be unthink- lite and cable television. The able that large numbers of corporation's 1980 annual report managers in a single company (85,000 copies) printed at \$1.60 would view this on film indi- each was supplemented by a vidually-on a one-to-one basis 22 minute video version, which

FILM AND VIDEO

BY JOHN CHITTOCK

ease on video cassettes. What is happening is that business is discovering that electronic media are much more paper. We may be many decades away from the society which largely relies on electro

tionary change has started. One of the most interesting examples to readers of this column relates to the annual company report. More companies are now producing an report on video-sometimes for shareholders and analysts, frequently for employees, occasiqually for both. In this context, video has not yet started

(shoe machinery,

they may certainly do so with over 1m viewers via satellite and cable TV distribution to 100 U.S. communities.

The idea grew out of familiar problem of communiconvenient than film, print or cating with shareholders and market analysts. Emhart says that "only" 250 people usually sending out the annual report attend their AGM (by British in this way, Emhart wrote to ation (to satisfy Federal laws), standards that cannot be bad), the cable operators concerned Which raises the question, at enlisting their interest and what point does a company's one incentive was that annual report cease to be an another than the cable operators. nic distribution, but the evolucassette copies reached about 1,000 shareholders (many with video machines in their offices).

> This encouraged the production in 1980 of the video version of the 1979 annual report. It does not replace the printed paper version, but relates to it, so that, for example, some of

convey in the printed report analysts. unusually high standard of an outstanding example of creative and technical quality). television fluency, and indeed is

within 100 communities in eight of similar schemes. states, covered by 22 cable net-

satellite relays (if necessary, recording them on to videotape that any in the area who were tool?

become customers. All of the stations took the programme without cost to Emhart (other than for the satellite time). Manhattan's t could always happen.

become animated on the video screened it 25 times! Addiversions). So video looks well the American Emhart Corscreen; and shareholders are tionally, 170, companies have placed to become an essential

(even though these are of an The programme itself is not In order to reach as many a chilling reminder of how bad shareholders as possible with U.S. television must be if one the video programme, Emhart operator alone was willing to decided to distribute it via screen it 25 times (Home Office satellite to 22 cable stations. and Cable Television Associa-These were selected by making tion of Great Britain, please a demographic survey of share-holders, from which it was corporate communication it is established that at least 50 per both ingenious and enterprising cent of all sharehlders came and will surely herald a spate

Emhart recognises, however, one problem area, which in the In the U.S., local cable TV future is going to occupy the stations can "pull in" prominds of politicians and the grammes from the national media business all over the Western world. For the cable operators in the U.S. to carry shareholders were being in exercise in communication and formed of the exercise too. so become instead, a marketing become, instead, a marketing

not subscribers to the local Under present and future cable network might soon broadcasting policy in Britain, it may be difficult or impossible to repeat the same exercise. But video disc duplication prices in the future will certainly challenge print and paper-and will taken inside factories, with a requested copies of the tape, tool in every public company.

Weight handicaps hurdler

asking last season with an emphatic win in a 2½ miles time out. handicap at Plumpton, returns to the Sussex course today to David Morley, still intends ners on a card which has proved try to defy top weight in the E. Coomes Handicap. Although the Uplands seven-

RACING BY DOMINIC WIGAN .

year-old is a middle-distance hurdler not far removed from the top bracket, I doubt if he will prove up to defying 12 st a fall at the final flight.
here, as he bids to give 20 lbs However, before that and 2 st to Ancient Briton and Ancient Briton, the easy months ago, after being placed

on his only other starts in more

competitive races won by Run

Hard and Tumbler at Notting-

ham and Sandown, has been a

Scotland-10.38-10.58 am For

SWANEE PRINCE, who opened disappointment of late. Howing race in a long while last

Mount Temple, whose handler saddling Tragus for Saturday's the Bury St. Edmunds hurdler was always fighting a losing battle to keep up with the pace in a division of the February Novices Hurdle won by Donegal Prince and would, at best, have finished only fourth or fifth but

However, before that dis-appointing display over what is Mount Temple, respectively, now almost certainly an inadequate trip for him, Bob Davies' winner of novice events at mount had put up a useful Towcester and Doncaster 13 display in taking second place behind the more experienced Easy Fella in a 31-mile Philip Cornes Novices Hurdle at Kempton. If he can recapture that form which he produced

10.45 Newsnight. 11.30 Embassy World Indoor Bowls Championship.

BBC2 Scotland only-1.20-1.40

9.30 ain Schools Programmes.

12.00 Jamie and the Magic Torch.

12.10 pm Pipkins. 12.30 The Sulli-

vans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown

Court. 2.00 After Noon Plus. 2.45 The Mallens. 3.45 Barney Miller.

4.15 Dr. Snuggles. 4.20 Take a

Chance. 4.45 Ace Reports. 5.15 Emmerdale Farm.

6.00 Thames News.

7.00 Looks Familiar.

9.30 Hedda Gabler.

7.30 Bognor. 8.00 Robin's Nest. 8.30 Janet and Company.

11.05 Canceing into the Past. 12.05 am Close: "Sit Up and

ANGLIA

12.30 pm Out Of Town. 1.20 Anglia
Néws. 3.45 Looks Familiar. 6.06 About
Anglia. 7.60 Life Bagins at Forty. 12.05
em Superstar Profile (David Niven).
12.35 A Norfolk Parson Visits America.

ATV

ALV
12.30 pm Gardening Today. 3.45
Looks Familier. 5.15 Diffrent Strekes.
6.00 ATV News. 8.05 Crossroads. 5.30
ATV Today. 7.00 Emmerdals Farm.
12.05 am ATV News. 12.10 The 1981
Butlin's Grand Masters Derts
Championship.

BORDER

1.20 pm Border News. 3.45 Looks Familier. 6.15 Benson. 5.00 Look-eround Tuesdey. 7.00 Emmerdele Farm. 12.05 am Border News Summary.

CHANNEL

Commentaires et

GRAMPIAN

Listen" with Jack Peel. All IBA Regions as London except at the following times:

6.25 Help!

LONDON

pm Bzzz (for children).

after landing successive events his account at the first time of ever, he ran his most encourag- here and at Fontwell, Mount Temple will give Ancient Briton plenty to think about.

Two other likely looking wintricky in the extreme for Greenall Whitley Chase, despite backers in recent years are that setback on Saturday, let Imperium and Irish Quicksteps. his supporters down badly at Imperium, a highly creditable Sandown last time out. There, third behind Broadsword and Drumburn in Newbury's Stroud Green Hurdle has Mount Temple's stable companion, Saldatore, to beat in the opening division of Wallands Novices Hurdle, while Irish Quicksteps need only put in a clear round to outclass his opponents in the Scotts Restaurant Handicap Chase.

PLUMPTON 2.00—Imperium 2.30—Miss Pilgrim 3.00—Ancient Briton** 3.30—Old Smokey

4.00—Albrizzi

4.30—Irish Quicksteps*** 5.00—Love Lilt*

Familiar. 6.00 North Tonight. 7.00 Welcome To The Cellidh. 12.00 George Hamilton IV. 12.30 am North Head-**GRANADA** 1.20 pm Granda Reports. 3.45 Looks Familiar. 5.15 Diff rent Strokes. 5.25 This Is Your Right. 7.00 Emmerdals

HTV HTV

12.30 pm George Hemilton IV. 1.20

HTV News. 3.45 Looks Femilier. 5.15

Easter Yaggs. 5.20 Crossroads. 6.00

Réport West. 6.30 Definition. 7.00

Emmerdale Ferm. 9.28 HTV News.

HTV Cymru/Wales—As HTV West

except: 9.47-10.02 am Wales and the

Sea. 10.48-11.03 Believe It Or Not.

12.00 Poli a Pil. 12.05-12.10 pm

Calimero. 4.15-4.46 Gwesty Gwirion.

8.00 Y Dydd. 6.18-6.30 Report Wales.

SCOTTISH 12.38 pm Gardening Today. 1.20 News Headines and Road and Westher Report. 3.46 Lõoks Femilier. 5.15 Per Subject. 5.20 Crossroads. 6.00 Scot-Subject. 5.20 Crosercads. 6.00 Scot-land Today. 6.20 Job Spot. 6.30 What's Your Problem ? 7.00 Emmer-date Farm. 12.05 sm Lete Cell.

SOUTHERN 1.20 pm Southern News. 3.45 Looks Familiar. 5.15 Betty Boop. 5.20 Cross-roads. 6.00 Day By Day. 7.00 Emmer-

TYNE TEES

9.20 am The Good Word. 9.25 North
East News. 1.20 pm North East News
and Lookaround. 3.45 Looke Familiar.
5.15 Diff'rent Strokes. 6.00 North
East News. 6.02 Crossreads. 6.25
Northern Life. 7.00 Emmerdele Farm.
9.30 North East News. 12.00 Wemen's
World of Prayer.

ULSTER 1.20 pm Lunchtime. 3.45 Looks amiliar. 4.13 Uister News. 5.15 Familiar. 4.13 Uister News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmandals Farm. 9.25 Uister Weather. 12.05 am Bedtime.

WESTWARD 12.27 pm Gus Honeybun's Birthdays.
12.30 Gerdening Today. 1.20 Wostward News Headlines. 3.45 Looks Familier. 5.15 Emmordale Farm. 6.00 Westward Diary. 7.00 Benson. 11.03 Wastward Late News. 12.00 Faith For Life. 12.05 am Wast Country Weather and Shipping Forecast.

YORKSHIRE 12.30 pm Looks Familiar. 1.20 Calendar News. 3.45 Calendar Tues-day. 5.15 A Touch of Fashion. 6.00 Calendar (Emley Moor and Belmont éditions). 7.00 Emmerdale Farm.

One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Wothering Heights by Emily Brants (5)). 4.00 Ray Gosling visits Prestbury. 4.15 A Ferry for Ever. 4.45 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Westher. programme in Parliament. 12,00 News. RBC Radio London

S.00 am As Radio 2. 6.30 Rush Nour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Dask. 12.40 The Tony Fish Total Music Show. 2.30 Tony Blackburn. 5.00 The Evening News, 5.15 Music on the Move. 6.33 Openings. 7.03 Black Londoners. 9.00 As Radio 1. 10.00 Cluestion Time from As Radio 1. 10.00 Question Time from the House of Commons. 11.00-5.00 am Join Radio 2.

London Broadcasting

ENTERTAINMENT GUIDE

RAYMOND REVIEEAR CC. 01-724 1503. At 7-00, 9.00, 11.00 pm. Opens Suns. PAUL. RAYMOND press THE FESTIVAL OF EROTICA. New Acts. New Girls. New Tirlis. 37d sensational year. Fully air conditioned.

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Mats. only best seats). Student standby
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Dining and Dancing ERUCE PORSYTM.
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VALIDEVILLE. S. CC. 01-835 998.
OPENING MARCH 17 A.T 7.0.
DONALD SINDEN. Dinah Sherdan.
Gwen Wattord. Polly Adams in PRESENT LAUGHTER by Noel Cowen. Reduced price previews from March 11.

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NYNDHAM'S. 5. 01-836 3028, Credit card blos, 379 6565, Mod.-Fri. 8. Satz. 6 & 8.45, Dario Fo's iarce Accidental death of an Anarchist.

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COVENT GARDEN, 240 1055 Amphisets avail for all perk from 10 am on the day of perf THE ROYAL OPERA. Ton't, Fr' & Mon at 7.00 L'Asricaine Tomor & Sat at 7.00 Luiu. THE ROYAL OPERA. SALLET Thurs at 7.30 Mayering (Colier resistes Sermour). Mon 9 Mar. A few the second sermour at 10 mayering (Colier resistes Sermour). Mon 9 Mar. A few the second sermour at 10 may 10 ma PRINCE OF WALES THEATRE, 930 8681. Credit Card bookings 930 0866. PAUL DANIELS IN 1T'S MAGIG. Mon.-Thurs. 8.00. Fri. and Sat. 6.00 and 8.45. EASTER Perfs. Good Friday as normal EXTRA MATS. 20th and 21st April AT 3.00.

SADLER'S WELLS THEATRE EC1. Tel. 01-837 1672-1673-3656. Credit cards 10 am to 6 pm 01-278 0871. March 4 to 21 BALLET RAMBERT Wed 5. Thur at 2 pm Inside the Repertoire. Fr. Sat 8 Mon nest at 7.30 Figures of Wind. Rite of Spring, Nuthouse Stomp. Tkts 50p to £6. QUEEN'S. S. CC. 01-734 1166. 01-439 3649. 01-439 4031. PENBLOPE KEITM, Peter JEFFREY, Barbara FERRIS In MOVING. A new play by Staslay Price. Directed by Robert Chetwork Evs. 8.0. Mats. Wed. 3.0. Set. S.0 and S.15. Group sales 01-379 8051.

THEATRES

ADELPHI. CC. 01-836 7611. Eves. at 7.30
Sat. 4.00. 7.45. Mats. Thurs. at 3.00.
TONY SRITTON, JILL MARTIN. PETER
BAYLISS and ANNA NEAGLE in MY
FAIR LADY. New booking through to
October. For group bookings telephone
01-836 7358 or 01-379 6061.

ALBERY. 01-836 3878. CC bkgs. 379 6565. Gp. bkgs. 379 6061 or 836 2962. Evgs. 8.00. Thurs. Mat. 3.00. Statis from 62.90. Sat. 5.00 and 8.15 Sian Philips. Denis Lawson (Most Promising New Actor DRAMA AWARD 1960) Rodgers and Hart's PAL JOEY.

ALDWYCH. S. 836 5404. CC 379 6233
10.6. Sats 10.41 Info. 836 5332.
ROYAL SHAKESPEARE COMPANY.
TON'T 7.30. Tomor 2.00. 7.30. FINAL
PERFS. THE SUICIDE by Nikolai Erdman
With: Peter Nichols PASSION FLAY
(Thu) and O'Casey's award winning JUNO
AND THE PAYCOCK. (10 Mar). Prestel
booking 22022. Group sales 379 5061.
RSC also at the Warehouse-Piccadiliv. AMEASSADORS. S. CC. 836 1177. Evgs. 8.0. Tues. Mat. 3.0. Sat. 5.30 and 8.30. J. 8. PRIESTLEY'S Mystery Play DANGEROUS CORNER. Accidence revival of Priestley's most popular play.

ARTS. 836 2132. S. Roduced Price Pra-views Tomor to 9 March 8 pm. Obens 10 March 7 pm. Thereafter 8 pm. JOHN JUDD in TWISTED CUES & ELLIPTICAL BALLS. An affectionate look at the lives 6 music of Gilbert & Sullivan. \$4. COMEDY THEATRE S. CC. 01-930 2578.
Limited season until 23 May only. Prev Ton't 7:15. Opens Tomor 5:30. Substeas 7:15 (note early start). The National Theatre smash-hit, production from the Cottesion of ARTHUR MILLER'S THE CRUCIBLE, Directed by Bill Bryden.

CRITERION. S. 930-3216. CC 379 6565. Gr. higs. 838 3952 or 379 6061. Evos. 8. Sat. 6 and 8.45. MARTIN CONNOR. DAVID DELVE, TRICIA GEORGE PETER REEVES in an OUTRAGEOUS REVUE TOMFOOLERY. The words. music and lyrics of TOM LEHRER.

BUKE OF YORK'S, S. 836 5122. Evenings 8.0. Saturdays 3.00 and 8.30. FRANCES de la TOUR. DAVID de KEYSER in TOM KEMPINSKI'S BUET FOR ONE. Credit cards only 836 9837, 379 6558, 838 4682. Group bookings 836 3962, 379 6061. DRURY LANE. Theatre Royal. Tel. 836 8108. THE BEST LITTLE WHOREHOUSE IN TEXAS. Ers. Mon to Thur 8.0. Fri. & Sat 5.30 & 8.30. Group sales 80x Omice 379 8061.

GLOBE, S. CC 01-437 1592. 01-439 6770 SEASON ENDS MAY 15, ALL PERFS. SOLD DUT. ROWAN ATKINSON IN REVUE. Mon.-Fri, Evgs 8.0. Sat 6.0 & 8.45. GREENWICH THEATRE S. CC. 858 7755.
Evenings 8:00 (sharp). Mat. Sat. 2:30.
DONALD SINDEN IN PRESENT
LAUGHTER by Noel Coward. Ends here
Saturday. Opens March 12 CONSTANCE
CUMMINGS in THE GOLDEN AGE. a
new play by A. R. Gurney.

New play W. A. K. Gurner.

NeYMARKET. Theatre Royal. CC. 01-930
9852. Eves. at 8.0. Season must and
April 18th. A few Lickets available for
come performances. Maegie Smith.
VISOTNIA. A new play by Edna O'Strict
from the lives and writings of Virginia &
Leonard. Woolf. Directed by Robin
Phillips. Latecomers may not be admitted. LYRIC, S. CC. 01-437 3586. Evening: 8.00. Wed. 3.00. Sats. 5.30 and 8.307 DINSOALE LANDEN. NICOLA PAGE IN ALAN AYCKBOURN'S TAKING STEPS.

NATIONAL THEATRE 5. 928 2252.
GLIVIER (open stage): Ton't 7.30
AMADEUS by Peter Shafer, former 7.50
A MONTH IN THE COUNTRY.
LYTTELION (proscenium stage): Ton't
Tomor 7.45 THE CARETAKER by Harold
Pinter.

PHOENIX. CC 01.836 2294-5. Credit can abookless 01-836 8611. THAT'S SHOW. SIZI Prices 52.50 51.50. 64.50. 65.50. Wed to Sat twice highly 5.0 & 3.30. DUE TO PUBLIC DEMAND EXTRA PERF SUNDAYS AT 5.0.

THEATRES

CINEMAS

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3.05, 3.25, 8.30 (BOOTS OPEN BOOL)
CLASSIC 1, 2 3, 4, 5, Oxford St. 01 636
B310. Opp. Tortenham Crt. Rd. Tube.
Folly air conditioned.
1: PRIVATE BENJAMIN (AA). Progs.
1: PRIVATE BENJAMIN (A). Progs.
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Stereo. Progs. 1.50. 4.05. 6.20. 8.35.
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42 "THE LONG GOOD FRIDAY (X,
Progs. 1.50. 3.50. 6.10, 8.30.
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5.00, 7.00, 9.00.

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ALIEN (X). 15 BACK1 in 70mm and
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8.00. ODEON, MARBLE ARCH, W.2. (723 2011-21, THE EMPIRE STRIKES BACK (U. Sep. Progs. Drs. Open Dly. 2.30, 6.45. OBEON, LEICESTER SQUARE, (930 6111) Jane Fonda, Lily Tomiin, Dolly Parton, NINE TO FIVE (AAA, Sep. Pross. Drs. Open 1.15, 4.20, 7.30,

PRINCE CHARLES. Leic, Sq. 437 8187. Birtish Premiere Presentation CALIGAHA CXI. Sep. serts. My. 4(nc. Sal.) 2.15 5.30, 8.45, Late show Fri. & Sat. 17.55. Seats bloke. Licensed bar.

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PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracker House, 10 Carrier Street, London ECAP 4BY. Teles: 8954871. Telegrams: Firmsinno, Landon. Telephone: 01-248 8000. Frankfurt 97fice: The Financial Times (Europe) Ltd., Franksaalise 68-72, 6000 Frankfurt-am Mais 1, West Germany. Teles: 8954871. Tel: Teles: 416052. Telephone: 7598 234.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES Amsterdam: P.G. Ber 1296, Amsterdam-C. Telex: 16527. Tel: 276 796. Birmingham: Editurial and Advertising George Has, George Rd., 815 1PG. Teles: 338650. Tel: 021-454 0922. New York: Editorial and Advertising 75 Recinficial Plans, N.Y. 10039. Editorial Teles: 66390. Tel: (212) 541 4625. Advertising Teles: 236409. Tel: (212) 489 8300.

Brussels: 39 Rue Decale. Teles: 23283, Fax: 512 1404. Tel: 512, 9037. aire: P.S. Sez 2040. Tel: 751492.

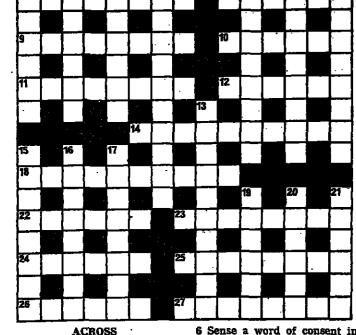
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11 Cabinet needing direction from a comforter (8)

14 Divide head's cover to make superfine distinctions (5.5)

for engineer (4,6)

bind (8) 24 Unusually untidy state that's barely seen (6)
25 Mind not so much, being

unconcerned (8) 26 Term of occupation (6) 27 Foreign currency put in trust not long ago (8)

shore (6) 2 Rely upon rest (6)

3 Home for bird or kea parrot (6) 4 Plot course of action up which one may be misled

5.55 Regional News Magazines and Nationwide.

only).

9.25 Play for Today. 11.05 Omnibus.

as follows:

Cymru/Wales-11.38-12.03 pm

England (except London). 3.55 Play School. 4.20 Secret Squirrel. 4.25 Jackanory. 4.40 Isla and the Farm on the Hill. 5.05 News-

F.T. CROSSWORD PUZZLE No. 4,509

ACROSS

5 Live willingly in faith (6) 9 Shelterless state revealed by

ladder (4-6) 15 Wager, clear of all charges, a sole would wish to avoid 12 Bail it out of part of a limb 16 Attitude I put on for sea-god

> 17 One who acquiesces when posted with a word of hesitation (8) 19 A whispered rumour in the wind (6)

7 Inferred it may be mischief-

8 Necessitarian putting gross

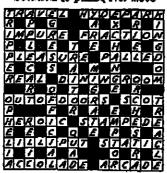
with

crew (8)

following (8)

on a rota (8)

Solution to puzzle No. 4.508



6.45 Rolf Harris Cartoon Time

11.50-11.55 News Headlines.

For Schools, Colleges. 3.20 Pobol y cwm. 3.53 Regional News for

(Ultra high frequency only). 9.05 For Schools, Colleges, 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill At One. 1.45 Pigeon Street 2.00 You and Mc. 2.14

7.40 Seapower. 8.10 When the Boat Comes In.

All Regions as BBC1 except

Dechrua siarad. 5.10-5.40 pm Bilidowcar. 5.55-6.20 Wales Te-day. 6.45 Heddiw. 7.10-7.40 Pobol

y cwm. 11.05 Music Makers. 11.55 News and Weather for Wales.

round. 5.10 Children of Fire

1 Jesting that may be wicked in time (8)

13 Shoot and get away using a 10 Tyrant some French recognise (6)

18 Plunder returned by dog

22 Custodian at Trent Bridge 20 Diligently applied as Boy Scouts may be (6) 23 A cord initially employed to 21 Spotted that which is paltry

DOWN 1 Opening where river enters

Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 6.45-7.15 Rolf Harris Cartoon Time. 11.05 Current Account. 11.35 Omnibus. 12.25

(London and South East News and Weather for Scotland.

Northern Ireland—10.38-10.58 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.45-7.15 Make Mine Country. 11.50 News Headlines, News and Weather for Northern Ireland.

> East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Man-Midiands Today am); Nationwide (Birmingham): (Lendon and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 6.45-7.15 East (Norwich)—It's Your Image; Midlands (Birmingham)—Look! Hearl; North (Leeds)—Home-town (Skegness): North East (Newcastle)—Phone in Now; North West (Manchemer)—To-wards Tomorrow; South (South-

England-5.55-6.20 pm Look

ampton)—Support Your Local
... Entertainer; South West
(Plymouth)—The Music Quiz:
West (Bristol) Day Out: Bridg-

BBC 2 6.40-7.55 am Open University. 10.00 Business World.

11.00 Play School. 11.25 Speak for Yourself.
2.30 pm Roads to Conflict. 3.00 Propaganda with Facts.
3.30 A Child's Place. 4.50 Open University. †5.40 Charlie Chaplin in

6.16 Maggie. 7.05 The Tuesday Western:
"Apache" starring Burt
Lancaster.

1 1093kHz/286m 1089kTz/275m

2 893kHz/433m 909kHz/330m

& 88-91viri stereo

12.30 pm Gardening Today. 1.20
Chennel Lunchtime Naws, What's On
Where and Weather. 3.45 Looks
Familiar. 6.00 Channel Report. 7.00
Benson. 9.28 Channel Late News. 8.30 Russell Harty. Pot Black 81. 9.50 One Man and His Dog. 10.30 "The Ride of the Valkyrie" starring Zero

9.25 sm First Thing. 12.30 pm Simply Sewing. 1.20 North News. 3.45 Looks BBC Radio London: 1458kHz, 206m & 94.9vhf Radio Wavelengths Capital Radio: 1548kHz, 194m & 95.8vhf 3 1 90-92.5vhf stereo 4 200kHz/1500m & 92.96vhf London Broadcesting: 1151kHz. 261m & 97.3vhf

RADIO 1

4.30 Peter Powell. 7.00 Talkabout. 8.00 Richard Skinner. 10.00-12.00 John Peci (S). RADIO 2 KADIO 2
5.00 am Bob Kilbey (S). 7.30 Terry
Wogan (S). 10.00 Jimmy Young (S).
12.00 David Hamilton (S). 2.00 pm
Ed Stewart's Request Show (S). 4.00
Much Mois Music with David Symonds
(S). 6.00 John Dunn (S). 8.00 The
Leading Ladias (S). 9.00 The Songwriters (S). 9.55 Sports Deak. 10.00
The Law Game. 10.30 Funny You
Should Ask. 11.00 Brian Matthew with
Bound Midnisht. including 12.00 News.

5.00 mm As Redio 2. 7.00 Mrke Read. 3.00 Simon Batus. 11.00 Andy Peebles. 12.30 pm Nawabert. 12.45 Peul Burnett. 2.30 Dave Las Travis.

part 1 (S). 1.00 News. 1.05 Six Continents. 1.25 Midday Concert, part 2 (S). 2.16 The Music of Madeperr 2 (s). 2-16 ins music of Made-leine Dring (\$). 2-55 A Mezart String Quartet (\$). 3.30 Baritone. Clarinet and Plano recitol (\$). 4.25 Jazz Today (\$). 4.55 News. 5,00 Mainly for Pleasure (\$). 7.00 British Music (\$). 8.20 Conversations with Artists: The American artist Carl Andre in conversation with Edward Lucie-Smith. 9.10
What Books I Please. 9.30 Mozart
chamber music recital (\$). 10.00
Music in Our Time (\$). 11.00 News. 11.06-11.15 Songs of the Fool by VHF only-Open University-6.55-6.55 am and 11.15 pm-12.55 am.

RADIO 4 writers (5). 9.55 Sports Deak. 10.00
The Law Geme. 10.30 Funny You
Should Ask. 11.00 Brian Matthew with
Round Midnight, including 12.00 News.
5.30 Today, including 8.45 Prayer for
2.00-5.00 am You and the Night and
the Music (S).

RADIO 3
6.55 am Weather. 7.00 News. 7.05
10.00 News. 9.05 Tuesday Call.
6.55 am Weather. 7.00 News. 7.05
10.00 News. 9.05 Tuesday Call.
6.55 am Weather. 7.00 News. 7.05
10.00 News. 10.02 From Our Own
Morning Cencert (continued) 9.00
News. 9.05 Morning Cencert (continued) 9.00
News. 9.05 This Wask's Composer: 11.05
Stravinsky (S). 10.00 English Choral
Music (S). 10.00 English Choral
Music (S). 10.05 Celle
Widtlet. 12.00 News. 12.02 pm You
Music (S). 10.05 Celle
Versita Colne, Luncashire. 12.55 Weether,
Versit

news. 5.00 News. 6.30 Brain of Britain 1981 (5). 7.00 News. 7.05 The Archers. 7.20 Medicine Now. 7.50 The Archers. 7-20 Medicine Now 7-50
The Squat Goalis (portrait of Ernest
Bevin). 8.35 Smith on the Irwell,
9.05 in Touch. 9.30 Kalerdoscope. 9-59
Weather. 10-00 The World Tonight.
10.30 Earthsearch by Jamos Foliot (\$),
11.00 A Book at Bedtime. 11.15 The
Financial World Tonight. 11.30 Yodey
In Bediesen. 13 20 November 11.30 Yodey

6.00 am AM—Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 7,00 London Life—

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Victoria-Albert/British Museum

Old drawings and new prints by DAVID PIPER

For those who love drawings, overlap. "Drawing as a first thoughts on that admirably two current exhibitions in LouDiscipline" is one—including lucid map of the Underground don effer rich pleasure, One is at the Victoria and Albert Museum, the other at the British Museum, and though they round as with casts, and from the Static The British Museum exhibitions made by are complementary the former that the life and simple stations made by the life and simple stations over the last neither can be absorbed in a single visit. The V. and A. show is titled Drawing: Technique and Purpose (till April 26) and is a welcome and imaginative departure from the usual forms. departure from the usual forms of drawing exhibitions. These tend to concentrate on one period, one school or one artist, one kind of subject matter, one collector, and so on.

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The visitor chancing on this one without a catalogue or without reading the labels, might
well be baffled, but on closer
inspection will surely be both
instructed and delighted. Instruction and delight are per-haps the two primary aims of the Victoria and Albert, apart from its purely conservatory and scholarly functions. The avowed intention in this case is to demonstrate "the how and why" of drawing.

The "how" section, illustration of materials and tech-niques, presents a relatively straitforward problem of presentation, but is well done, while the little catalogue that accompanies the exhibition will remain a very valuable quick reference work. It is not only the amateur who may wonder what the difference between "plumbago" and "graphite" may be. The spin-off comes when the viewer, scrutinising the specimen that seems to illustrate a bistre wash ("the undissolved brown particles are clearly visible") is suddenly exhilarated. by the fact that it is being used by Tiepolo with his characteristic generous fredom to illustrate the Banquet of Anthony and Cleopatra. The advantages of different kinds of papers, of inks, chalks and charcoal are analysed, down to the gadgetry of such aids to accurate drawing as the comerc and Sol Le Witt.

are complementary; the former the life—an almost startling the Print Room over the last is best visited first though reminder of the thousands of five years. On the evidence of it the Print Room has acquired

knuckles of a gigantic foot cast in plaster, but one of the serenely beautiful studies of the nude that Mulready made in the

frontation: Rembrandt electrify-

ing a taut drawing by Mantegna of the Calumny of Apelles, both Rembrandt's copy and Mantegna's original shown side by side. There is the Victorian academician, W. E. Frost, later to be associated with bevies of formidably chaste female nudes, but here as a student getting under the skin of a male model, and indeed clear down to skeleton level. There is the eighteenth century Alexander Cozens, demonstrating the development of the haphazard blot into an harmonious composition, as there is the twentieth century Paul Klee, in the Padagogisches Skizzenbuch done for the Bauhaus, taking a line famously for a walk. Another section, "Drawing as Imagination," illustrates the human imagination moving released at many different tempos—from Car-paccio to Rubens to Seurat to Hockney to-and why not?-Sir Alec Issigonis doodling a Morris Minor towards being. The "Drawing for its own Sake" section, proceeds from mid-10th century Anglo-Saxon through Claude Watteau, Greuze, Ingres, Constable, Turner to Gauguin

Finally "Drawings The sections dedicated to Utility" (some overlap with the

we can see not only Luke Fildes, enormous, but perhaps most aged 20 delineating with an noteworthy this time is the intensity of loyalty all knobs and determination with which the Print Room has moved into the twentieth century in areas very scarcely represented heretofore. Suddenly German Expressionism of the period now some-times called "classic" is there, and almost one or two of everyone, and by and large a very good one too. One wonders where such things are to be

Heckel, Pechstein, Schmidt-Rottluf, Käthe Kollwitz, Beck-(a characteristic selfportrait as crier in front of his own fairground). Kokoschka, Grosz are all there, mostly as prints, correctly, as the German artists' revival of print-making, especially woodblocks plain or coloured, provided arguably the medium in which their vision was most characteristically, and best expressed. Here are Kirchner and Munch; a superb, large colour litho by Nolde of a young couple in manic dance. Some consolidation in French art of the time is also under way. Picasso's Vollard suite seems to have been acquired complete, but to my mind more important, a fine impression of that large but austere Nature Morte Bouteille, a great cubist print of 1912. And there is, from later (1938), a stupendously voluminous Matisse drawing of a seated woman.

The trustees have evidently spend, though one does hopein view of the prices Munch prints for example can fetch (tens of thousands)—that the angelo's almost ferocious study B.M. and the V. and A. (and for of a figure for his Last Judgethat matter the Tate) have some



"Young Couple" by Emil Nolde, colour lithograph, 1913

where the B.M. ends and the V. and A. begins, not at all displeasing and duplication by no means a bad thing necessarily; the B.M. too has lent handsomely to the V. and A. Technique and Purpose exhibi-

Gifts and bequests still occur generously, such as Lady Clark's noble Henry Moore Shelter Notebook, and a dreamily gentle Samuel Palmer of The Valley Farm, tucked into the folds of the hills as if into a bed—that belonged appositely to Graham Sutherland and is given by his widow. Benefits from HM Government via the in lieu procedure, objects made over instead of capital transfer or capital gains tax, show up well: the ragged sheet of paper from Corsham, bearing Michel-angelo's almost ferocious study ment; a great Mantegna drawthe "why" of drawing are previous section)—presentation sort of roughly co-ordinated delightful little sketchbook by the catalogue honestly agrees, grams, and so on. An astrodefined into categories that logical manuscript of c.1120 Generally, however, I find the are fairly arbitrary, and can can balance Henry C. Beck's uncertainty in some areas as to life in the 17th century.

Most startling among the British contributions, an aqua tint by P. P. Burdett, c. 1770 of a drawing by J. H. Mortimer of a skeleton lolling on a deso-late seashore; the hulk of a wrecked boat alongside has been transposed by pen and ink (presumably by Mortimer) into the rib cage of another skeleton, while a third skeleton, now winged, flits in the sky. A surreal image that would please Dali. The British range goes from a tight, almost neurotically intense drawing by Millais -Married for Love: dated 1853. it was copied by Effie the same year, and the next year she left Ruskin for Millais—to perhaps rather belated salutes to Roger Hilton and P. Lanyon, and on to the ubiquitous and everengaging Hockney; but the best of the moderns, and among the best drawings in the room, is a formidable charcoal Head of Brigid, by Auerbach. There is also an improvement on the American holdings: from Bellows to Marin to Pollock and

Chowning and 'computer' music by dominic gill

the founders of that university's string at the dawn of history. now world-famous Center for Computer Research in Music and Acoustics. It was characteristic of the enterprise of Adrian Jack's MusiCA series that the ICA should be the only British organisation to seize hold of Mr. Chowning on his present European visit, and invite him to present in public on Sunday evening some of Stanford's most recent work.

The time is coming, and probably sooner than we imagine, when the music critic's necessary training will include a basic computer course. The techniques of computer music (which is to say, music com-posed with the aid, in various particular degrees, of a computer) are still in their earliest infancy; and their products are still experimental in the extreme. Yet the digital computer, with its virtually unlimited capacity to produce any kind or combination of imaginable (and as yet unimagined) sounds, is potentially the most powerful and flexible musical instrument so far invented by mankind; in Sunday's programme, each simple (but actually very subtle) and the revolution it eventually one introduced by Mr. Chown- "unison" effect of many voices inspires is likely to be as fun-

in California, and also one of the discovery of the plucked texture not usually associated

That is no idle fantasy or

exaggeration (although the computer's dizzying future role is maybe more acceptable, since in many fields it has already palpably arrived, in other aspects of our daily life). But for the time being, the technologically ignorant critic must shuffle his feet like a schoolboy when question-time comes, and content himself with misleading even particularly arresting-generalities—uncomfortable ex- except, I suspect, on its own listening to a horn sonata with- all provided out knowing what the player is glimpses: doing with his fingers, or especially whether indeed he is sucking or which oblit blowing, or even why he is putting the curly brass affair that he is holding to his mouth. There may be pleasure to be had from sounds themselves pure and simple: but ignorance of the basic functions, and more important of the potential. of the instrument will make both work and performance very difficult to evaluate.

There were four tape-works ing, and all of them, certainly, or instruments.

John Chowning is Professor damental, and as far-reaching, justifying his promise that they of Music at Stanford University in its musical implications as would display "a richness of with electronic music "-- (the much greater power of control which the computer allows to the composer/performer lets him also manipulate a range of constant tiny changes, tiny details of the music's microstructure, which we know to be characteristic (and by computer analysis, exactly why) of the sound of live instruments.

> None was a masterpiece, nor perience, as if he might be technological-poetical terms. But Dreamsong, especially of Michael McNabb which obliterated all traditional boundaries between "concrete (natural) and (artificial) sounds by making it impossible to tell the difference between them-a computergenerated soprano voice can indeed sound every bit as real as the real thing (and perhaps one day, to be sure, it may sound even better). William Schott-staedt's Daily Life among the Phrygians was an oddly tantalising essay in replicating the

Round House

London Sinfonietta

The Roundhouse is on the ing was flanked by Stravinsky's various instruments leaping Contemporary Music Network, and on Sunday it was the venue for the Sinfonietta's current touring programme. Excellently devised, that consists of three pungent 20th-century pieces and Mozart's B-flat Serenade for 13 winds, K. 361. The Serenade (with a strong bass collaborating with the contrabassoon, and with proper basset horns con-trasted against clarinets and bassoons) was pure delight. The leading oboe and clarinet were Janet Craxton and Antony Pay (who conducted the rest of the concert), strong and subtle with out artfulness.

Of the modern pieces, Oliver

Symphonies of Wind Instru- aboard when it springs into ments—a particularly bright their registers. It is run through eyed, sharply etched reading— again in many forms, collecting and Birtwistle's admired Sil- counterpoints, harmonies, even bury Air, metrically ingenious a bass, and inspiring wild little and more than a little baleful. Coursing has been a long time in the composing, and seems to grow steadily shorter; Knussen now envisages the six-minute movement we heard on Sunday as the first of a projected sequence. But it is no sketch: several hearings on tape since the concert have confirmed that its excited rush is fully heard, not just a stream of lively ideas jostling for ear-room.

Coursing begins with a unison Knussen's not-exactly-new Cour- melody-line, manically athletic,

solo excursions. After a dramatic arrest, the tempo without seeming to change: Elliott Carter's rhythmic lessons have been well learned - becomes a stroll that ends in a near - impressionist twilight. Kussen's announced Niagara water driving irresis tibly toward the falls, holds only for the first frantic minutes of the piece; his penchant for teasing, elusive near-tunes soon softens the initial galvanised

DAVID MURRAY

Washington

Alexander & Russia

The U.S. Governme hos endowed Washington with new and elegantly renovated museums, while American corporations provide a constant flow of special exhibits to prove their public spiritedness to the nation's legislators. Time Inc. has just begun a two-year tour of Greek archaeological ruins at the National Gallery. Called The Search for Alexander, the show, like its title, obscures the central question of whether the remains have anything to do with Alexander the Great.

As one archaeologist pointed out at the time of the discovery in 1977, it would be a miraculous coincidence that the only unlooted tomb of some two dozen that had already been discovered turned out to be, as claimed, that of Philip II of Macedon, Alexander the Great's father. The original discoverer was himself disappointed at his first look at the tomb, since it was left unfinished when sealed 2,300 years ago. Later he hypothesised that if Plutarch was right in stating "There was some suspicion of Alexander [in Philip's death] " then he might have provided an indecorously quick entombment of his father.

But the exhibit itself associates Alexander with his father's death only in the most benign way. The lavishly mounted show contains numerous statues of Alexander along with a profusion of delicate ancient Greek jewelry. photographed friezes of the Macedonian countryside and, finally the relatively meagre findings from the now famous Macedonian tomb. The attribution "Hellenistic" con-veniently frustrates any attempt to distinguish Greek and Macedonian artifacts, while considerabye latitude is taken from the ambiguous, but by no means complimentary comment of a Greek curator, "The archaeological evidence availpermit us to speak of a distinct corner of their 0-10 show in 1915 pyramid rotating at speeds rang-Macedonian style in the various branches of art repre-



Ivory portrait of Alexander the Great, 350-325 BC

signs were brought together rather mocked. without help of the Soviet The show was able to gather Union, where these artists are large numbers of works from still not among the best remem- collectors anxious to provide a bered forbears of the Revolu- provenance for pieces that had tion. They heartbreakingly took to be smuggled out of Russia. the ideals of the new order It also models of what exists now seriously, so they really be only in photographs or draw-lieved that the intelligentsia ings. Included is a rotating were the meek to inherit the model of Vladimir Tatlin's deearth. They designed every sign for the Monument to the thing from buildings to wall- Third International Meant to be paper, with fashion, bookbind- an information centre built ing, and theatre sets all done to twice as tall as the Empire State their futuristic standards.

The exhibit reproduces a which they confidently expected to be the last art exhibit. Male-

vich led the movement with his A more responsible form of self-stated "desperate effort to curatorial creativity is shown in free art from the ballast of the The Avant-Garde in Russia 19101930, which was organised at
the Los Angeles County Museum
designs before giving up printof Art before arriving at the Hirshhorn Museum in Washington. More than 400 designs before giving up painting altogether for sleek angular architecture that Stalinist monupaintings, sculptures, and de mentality later imitated, or

> Building, it consists of a cube, a cylinder, a hemisphere and

> > FRANK LIPSIUS

More films from BFI

The British Film Institute, money. At least two of the The other major news from thick for 1981-82 is getting only films could have quite substanthe BFI is that its National which for 1981-82 is getting only 7.8 per cent more from the Govtial budgets. ernment, with a grant of £6.4m, still hopes to devote extra money to making films. It expects to invest around £1m in supporting a dozen new productions, half the money coming Regional film theatres will be from its own resources, includ- further helped by £10,000 set ing an extra £200,000 from the aside to promote them, and can expect additional aid, those cordings, in 1963; a 1960 Pinter Government for this purpose, Government for this purpose, can expect additional and, mose A night out; and an early and the rest from co-product that have been quiescent; less, A night out; and an early Avengers. tions, and ITCA and EADY in 1981-82.

Film Archive has published The other main objective for Keeping television alive, a 1981-82 is to aid the regions guide, cost £3, which lists all more. Almost £1m will go out the television programmes that of London, half the money to have been saved and are held regional arts associations. in the archives. On March 9, at the NFT, some of the TV treasures will be shown, including the first episode of Coronathose that have been most active tion Street; the first Beatles re-

Festival Hall

Sibelius First

Paavo Berglund ended his concert with the London Symphony Orchestra on Sunday with a devastatingly brilliant symphony, conceived on the boldest scale. The performance eclipsed entirely an unhappy certo earlier in the evening, in which Ida Haendel never settled convincingly to her solo task. between these two large-scale works, Berglund found room for a grievously neglected

Sibelius wrote his "tone poem for Soprano and orchestra," Luonnotar, between 1910 and 1913, interrupting work on it for the composition of the fourth symphony and the sym-phonic poem, The Bard. The first performance, curiously enough, took place at the Three Choirs Festival in Gloucester in 1913, but subsequent revivals have been limited by the extraordinary demands the piece makes on the soprano soloist, who must encompass two octaves to a high B, and whose music is often cruelly exposed. But it is genuine, first-rank Sibelius, setting yet another fragment from the Kalevala, the vast storehouse of Finnish mythology that served Sibelius so fruitfully. It relates the legend of the creation of the heavens-from the union of the Luonnotar, virgin of the air.

The solo lines are wedged between blocks of typical Sibelian rustlings and stirrings and the work ends with one of the most extraordinary codas that even he ever wrote, a true summation of the numinous brooding, which lurks behind the entire work. Berglund, fine Sibelius conductor that he is. managed this close very mysteriously, and the soloist was Phyllis Bryn Julson, not as disembodied as some of the vocal writing would seem to require, but always accurate and The first symphony began as

if determined to banish any taint of the suggestion that Sibelius here was merely re-heating Tschaikovsky. The allegro of the first movement set off at a ferocious pace, the LSO brass given much encouragement, as Berglund almost succeeded in making the andante a convincing whole. But the scherzo, every rhythm freshly minted, and the finale, primitively savage in its development. were exceptional. After such a performance it's difficult to remember that Sibelius wrote a better symphony, and even more exciting to know that he did.

ANDREW CLEMENTS

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FINANCIAL TIMES

Telegrams: Finantimo, London PS4. Telex: 8954871

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A challenge to everyone

THE DECISION by the 12 It is an unfortunate fact that Labour MPs, finally announced some people still support may have been greater up- a sizeable part of their vote heavels over policy in the past from the council house estates and there has been a stream of It is also probably the case that defections over the years, but not for over half a century has there been anything on this

Opinion polls

It is not, however, the straight left-right split that has some-times been predicted. Many of the moderates who have chosen to stay in the party hold political views almost identical to those of the group which has chosen to leave. Where they differ is on the judgment of whether it is any longer possible to reform the party from within. There is a further difference of opinion on whether the British political system of "winner takes all" lends itself

to the emergence of a new party which is not closely linked to one of the two main interest groups: the trades unions and what may be broadly termed the capitalist structure. Dr. David Owen and his colleagues have boldly decided to take the risk.

Their challenge is not only to the Labour Party. It extends to the Conservatives. Indeed over the past 25 years or so Tory governments have repeatedly proved wilnerable to attacks from slightly left of centre: witness the recurrent Liberal successes in by-elec-tions. As unemployment rises, it seems unlikely that Tory foropinion polis may be utterly hypothetical, but they do at least suggest that there is a good deal of potential support for a new political grouping in the country

The social democrats ought to have other factors in their Unlike the two big they should have no hang-ups about the unions. Labour's problem is that it unions and the Tories' problem is that they appear both unable to stand up to them. It would matters.

class mould of British politics. market economy.

yesterday, to resign the Whip Labour precisely because it is a with the intention of founding class party. Equally, the Tories a new social democrat move- still tend to behave as if they ment is the biggest break in the are a middle or upper middle Labour Party since 1931. There class grouping, despite drawing after decades of social change, however slow, there is a sub-stantial bise of the electorate which no longer wants politics on class lines. These people ought to be captive social

democrat supporters. . Not least, the new party might inject an element of liberalism into British politics which is missing in the two big parties. It is a long time, for instance, since either Tories or have shown much obvious concern about promoting racial equality. As for greater social equality, it seems to have dropped out of the Tory programme altogether.

For all those reasons we wish the social democrats well. They have a fair point when they say that it is not they that have changed, but rather the Tory and Labour movements, the Tories by going to the right and Labour by going to the left. There is undoubtedly a middle ground in British politics which has reen vacated.

Salutary effect

The social democrats should not assume, however, that they can occupy it without a fight. Already there are some signs that the Labour Party is reacting to the defections by seeking to stand up to the en-croachments of the left. The Tories have also indicated that they wish to be pragmatic rather than doctrinaire. What has really gone wrong with Mrs. Thatcher's brand of Conservatism is that it has placed too much emphasis on the market economy and too little on the concomitant safety net That is beginning to change.

It is necessary to await the social democrats' programme and their intentions vis-a-vis the dependent on the Liberals before passing further judgment. But in the space of a few weeks they can already to work with them and unable claim to have had a salutary effect on British politics. Their be refreshing to have a party challenge will be even more with no past history in these formidable if they can harness the idealism of the old Labour The social democrats ought Party to realistic policies for an also to be able to challenge the efficient and prosperous social

Militarism is not enough

MRS. THATCHER was quite tary dimension of the West's right to assert, during her visit posture in the Middle East, it to Washington last week, that would undoubtedly alienate Western Europe needs to equip some of the local states, and mood is already too militaristic,

area, in the fullest sense of the term. The loss of oil from the Gulf would have catastrophic effects on Western Europe (as well as very serious effects on the U.S.). The Soviet takeover of Afghanistan raises the question whether this may yet prove the first step in a long-term Russian strategy aimed at Iran and the warm water ports of the Gulf. That threat may seem remote at the moment, since the Russians are facing major problems in Afghanistan and Poland, and they are unlikely to get any kind of welcome from the present regime in Tehran. But Europe cannot simply ignore the danger as if it did not exist; nor can it tacitly assume that Americans will take care of the

The trouble is that the Reagan Administration seems to see the world too much in stark East-West terms, and to suggest that American and Western interests can best be secured by allowed to weaken NATO's beefing up the capacity to take central capability, which is at a growing disadvantage compared surrogates on the battlefield. Circumstances may arise in which the possession of such capacity would be an essential ingredient in the Western panoply of instruments, and preparations must therefore be made to acquire that capacity now But there are many other aspects to the Middle East situation where the dangers facing to throw a starker light on the the West are most unlikely to question of the cost of the take the form of Russian tank. Trident submarine missile prodivisions rolling down from the gramme, being debated today in north, and to which the most the Commons. Whatever the appropriate Western response merits of the Trident system, it would not be framed in military must not be allowed to be the terms. Indeed, if an excessively cause of any weakening in our

Camp David agreements; for Mr. Reagan to repeat the error

decisions are taken.

Conventional

Just how big a contribution should Europe make to a Western Rapid Deployment Force? That is obviously a very difficult question, especially for the West Germans. But however small it is, it should not be with the Warsaw Pact. And that means an improvement in Europe's overall conventional defence capability, at a time when all defence budgets are under pressure.
Mrs. Thatcher's enthusiastic

endorsement of the concept of a Western Rapid Deployment

T IS just four years since Confronting President Jimmy Carter told his countrymen that it was time to lose "our inordipate fear of Communism." It is just two years since the same Russia on President, analysing the fall of the Shah, insisted that the United States could no longer dictate the internal policies of foreign countries "unless we want to get another Vietnam going." It is just a year since Mr. Carter conceded, after the invasion of Afghanistan, that perhaps his trust in the responsibility of the Soviet Union had sibility of the Soviet Union had This is the selective, short-hand assessment of Mr. Carter's foreign policy by the men who have taken over from him the reins of the U.S. Government. They believe it some first than the control of the U.S. Government.

They believe it was funda-mentally flawed from the outset

because he never understood

the Russians and because he

drew the wrong lessons from the trauma of Vietnam. The

combination of the two, they are

convinced, resulted in Mr. Carter presiding over what they describe as the "obscene" se-treat of American power and

influence. They are determined

On assuming office, President

Ronald Reagan lost no time in

reasserting his long-held con-viction that the Soviet leader-

ship was still intent on global

domination and was willing to "lie, cheat and steal" to further

its goals. He has more than

once in the last few weeks gone

out of his way to commiserate with veterans of the Vietnam

said in last year's campaign) because they had fought in a conflict "they were not allowed

General Alexander Haig, his

Secretary of State, has never

tried to dissemble his revision-

ist view that the U.S. went too

far in trying to heal the wounds

of Vietnam and Watergate. Had the U.S. acted more

rigorously in the early days of

would have put the brakes on its clients in Hanoi. In the last

decade, had the U.S. not shown

what Mr. Haig sees as its indif-

ference to events in the Horn

bique, the Gulf and Central

America and the Caribbean,

then Moscow would have placed

similar restraints on its chief

This is a straightforward real-

rightly or wrongly, contributed

proxy Cuba.

weakness.

of Africa Angola and Mozam-

("that noble cause," as he

to reverse the process.

By Jurek Martin in Washington

6 Whenever in the history of relations between states has there been a void of linkage? It must be there: it is there: it is a fact of life.9

& I would not want to suggest that what we're talking about is a mechanistic score keeping, day-to-day rundown of explicit reciprocity. What we are talking about is a general Soviet demeanour in the international environment which clearly is devoid of the excess illegal activity we've witnessed in recent months and

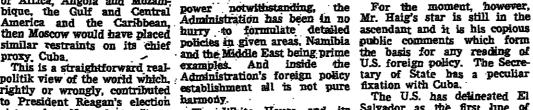
6 It is our view that you cannot proceed in functional areas of relationships with the Soviet Union across the broad spectrum of functional areas—trade, credits technology transfer, agricultural supports or arms limitations—until a climate of greater reciprocity and restraint is evident.

4 Whether we in the West like it or not, NATO is going to be increasingly influenced by events occurring outside its geographic borders.9

6 I think it's vitally important that NATO recognise that we cannot take an ostrich attitude with respect to events occurring—and especially illegal Soviet interventionisms—outside the confines of the formal Vietnam, then the Soviet Union borders of the alliance.

> General Alexander Haig, U.S. Secretary of State.

US FOREIGN POLICY



The White House and its victory last November. It re-assured Americans who had foreign policy arm, the National Security Council, are already grown increasingly uneasy over the complexity of international chipping away at Mr. Haig's authority. Last week, Mr. Haig affairs and the consequences of American vulnerability. It is lost what might prove an importanother question entirely ant skirmish when the NSC was whether the country would sance given formal co-ordinating retion U.S. military involvement sponsibility over the network of overseas, as in Vietnam, but at foreign policy sub-committees. the very least Mr. Reagan and The Secretary of State had Mr. Haig have a temporary wanted that responsibility himlicence to practise a foreign self. As yet there is no sugpolicy of strength as opposed to gestion of a philosophical one of perceived, if not real, divide, as vast as that which separated Mr. Cyrus Vance and The underlying premises of Dr. Zbigniew Brzezinski under this Administration are that the President Carter, but President world is really a vast chess- Reagan's NSC is generally less board with two principal pragmatic and more ideological players, the U.S. and the Soviet than even Mr. Haig and cer-Union and that local problems tainly suspicious of the "softpolitical, economic, nationalistic liners" it thinks Mr. Haig has -are pawns in the game. What, brought into government.

The controversial nomination Mrs. Margaret Thatcher and of Mr. William Clark, the Cali-Lord Carrington must have con- forman judge whose knowledge chuded last week, is how the of foreign policy seems scant, U.S. will play its local minor to be Deputy Secretary of State pieces and what will happen if is widely interpreted as a device the pawns (be they Palestinians, designed to give the White Namibians or even, concelvably, House a "mole" in the State Europeans) refuse to be moved. Department. Mr. Clark's loyalty . In part, this is because Mr. is to President Reagan, not to Haig's aggressive grasping for Mr. Haig.

power notwithstanding, the For the moment, however, Administration has been in no Mr. Haig's star is still in the the basis for any reading of U.S. foreign policy. The Secretary of State has a peculiar fixation with Cuba.

The U.S. has delineated El Salvador as the first line of Central America is its back garden and Cuba is the weed. It is true that Mrs. Thatcher Lord Carrington induced Mr. Haig to pay at least lipservice at the end of last week

two hardly appear compatible: the first would require exerting to the cause of democratic pressure on South Africa, the reforms in El Salvador, but it second some degree of tacit co-• At the very least, Mr. Reagan and Mr. Haig have a temporary licence to practise a foreign

policies, most notably in rela-

Carrington warned last week

that time was not on the side of this process, and the UN is

about to take up the issue again.

it has other aims in mind and

that it has not decided whether

to give priority to pressing ahead with the Namibian settle-

ment or to its desire to embar-

rass the Cubans in Angola. The

The U.S. dilatoriness suggests

tion to Namibia.

is obvious the U.S. has no operation with the Pretoria interest in any variety of San-régime. dinist solution. After all, it The previous U.S. Administra-believes the Nicaraguan regime tion strongly believed, like was actively aiding the Salva- Britain, that furthering the dorian insurgents until exposed

policy of strength, as opposed to one of

perceived, if not real, weakness 7

by the U.S. Yet Central America, for all its symbolic significance, is

The previous U.S. Administracause of an independent Nami-bia would enhance the West's relations with the black African states, and thus its strategic small strategic beer compared position. The Reagan Governwith other parts of the world ment's thesis is that security is habouring a Cuban presence, enhanced by getting rid of the such as, most pressingly, Cubans in the region: it also Southern Africa. Officially, the distrusts the ideological compo-

which still harbour Cubans.

U.S. is maintaining that it is sition of the South West African still "reassessing" its African People's Organisation (Swapo),

Middle East within the next month for a first-hand look. Mrs. Thatcher may have allayed U.S. fears that the

People's Organisation (Swapo),

though Lord Carrington re-

minded the U.S. that the Zim-babwe experience proved this was not an excuse for shunning

The same dilemma confronts

East. Mr. Haig has made it

clear that he considers "local"

issues, such as the rights of the

Palestinians and even oil

be achieved by ensuring that

American friends in the region

- Israel, Saudi Arabia and

some NATO countries to contri-

presence and by continuing to

negotiations.

European Middle East peace initiative, launched at Venice last year, was inimical to U.S. the loss of a few American interests and designed only to military lives in the coffee planing ratiate Europe with the oil-tations of El Salvador to producing Arab States. But it rekindle all the American is not clear if she succeeded in bringing home the central message that the Middle East can the end so inconclusively.

never be truly secure until the core questions — legitimate Palestinian rights and the Arab recognition of Israel's rights to live behind secure borders are resolved.

In this respect it is perhaps significant that the new Adminis tration has ceased referring in public to the "Camp David accords," which were at least an attempt to attack these problems. This may be only because use of the words recall President Carter's greatest achievement: it may be because the U.S. is not ready to admit publicly that pursuing the Camp David framework must sooner or later necessitate dealing directly with the Palestinian Liberation Organisation.

It is obviously important that, where the U.S. and its allies have different perspectives, they at least understand On the surface the Reagan Administration, drawing on the lessons of the ragged Alkied response to the invasi of Afighanistan, is earnest about improving the modes of consultation it believes that there should be less confusion be cause it will be a more predictable Administration than its

But no one should doubt that the U.S. also expects—and may even demand—that the Allies fall into line whenever the U.S. deems it imperative. Mr. Lawrence Eagleburger's mission to Europe to offer "proof" of sub-version in El Salvador showed how far the U.S. was willing to go to inform its alkies; the blunt speech in Munich by Mr. Frank Carlucci, the Deputy Defence Secretary, about expanding NATO's security horizons showed the other, tougher, side. Mr. Haig himself has said that if NATO cannot come to collecfive grips with the security problem, then individual nations cannot complain if the U.S. goes outside NATO and tries "other fora" in Mr. Haig's words to achieve its goals.

For the moment, again, the U.S. has enough "names" friends in Europe (Mrs. Thatcher, obviously, and a French President intent before the elections on establishing his anti-communist credentials) for this to be manageable. But sooner or later, as the new Administration confronts its central problem, relations with the Soviet Union, the strains could well emerge.

It now seems likely that Mr. Reagan will not enter into an early summit with President the U.S. as it turns to the Middle Brezhnev. He wants a better reading of the Russian mind, which he distrusts, and the Russian intent than he now has. He wants, specifically, signs that Moscow will control itsdiplomacy, secondary to the security of the Gulf. This is to Cuban proxies before he evenentertains re-negotiating the Strategic Arms Limitation.

Egypt — have the wherewithal After ali. Mr. Reagan needs for their own defence, by getting to demonstrate to his domesia some NATO countries to contri-bute to a Western military he will continue to practise in office what he preached in put pressure on nations such as opposition for so long—that the South Yemen and Ethiopia Soviet Union only understands thich still harbour Cubans. toughness. If he were to tears

From a practical point of view, his right-wing supporters gasp. the U.S. has some time at its ing by rushing headlong into disposal, until the Israeli elections in June, before it needs to dent Brezhnev, then his politake any decisive step. Mr. tical foundations could crumble.:
Haig is likely to go to the But reversing the trend towards a more deferential role: in world affairs, in train since Vietnam and exacerbated by Watergate, is likely to prove move difficult than it seems at: first sight. It may take only doubts which President Carter analysed so exhaustively and in

itself with the means to defend might even contribute to the its interests against potential kind of political destabilisation threats from the Soviet Union which could directly threaten outside the traditional NATO the security of the West's oil area. But the question which so far remains unanswered is whether she did too much to egg on the Americans, whose and too little to urge caution on them in dealing with prob-lems for which military might is not an appropriate instru-

Threat

Western Europe does have vital interests outside the NATO

high profile is given to the mili- conventional defences.

is much more complex and subtle than the jingoism which seems to have inspired some recent public declarations on both sides of the Atlantic. In particular, the Reagan adminis-tration needs to give greater recognition to the undeniable link which exists between the Israel-Arab problem and the oil policies of the Gulf states. Mr. Carter made the mistake of totally misreading Saudi reaction when he signed the

If therefore the Europeans are to acknowledge the need to contribute to the capability for defending their interests in the Middle East, as they must, they should also ensure that American policy in the area does not run wildly out of control, and thus jeopardise those very interests. And that means intensive consultation in the development of strategy before

Force can, therefore, hardly fail the Commons. Whatever the

Designs on the Presidency

Another unexpected gust came yesterday in the democratic wind now blowing through the somewhat staid portals of the Royal Institute of British Archi-

however, is still not clear, as

A third candidate, Jake Brown of the Greater London Council's architects department, has entered the traditionally un-contested election for the Institute's presidency.

Brown's nomination was delivered to the RIBA offices only minutes before the deadline and he now joins Owen Luder. RIBA's former treasurer, in fighting the elevation in July of senior vice-president Andrew

Derbyshire. Brown, who won a Financial Times award in 1978 for his design of a refuse transfer station at Brentford, should have strong support among the salaried architects who form about a third of RIBA's membership.

"It's not a case of opposing anyone," he tells me, "but of bringing a different point of view, a new approach, into

RIBA's top circles"

Brown believes strongly that it is time the architects in the public sector had a stronger voice in RIBA's leadership. The public sector is being reduced quite dramatically, and efforts have to be made to stop the destruction," he says. There are other reasons for his candidature: "RIBA is a

very impressive institution," he says. "But like others, it tends to turn plans over until they crumble to dust in its hands." Brown's entry into the contest-to be decided in June-confirms Luder's belief that it was right to invoke the first

presidential election since 1920. Back from India yesterday, Luder has no apologies for the stir he has caused. "The group which asked me to stand believe that RIBA really needs a shakeup," he says.

Luder, who rescued the Insti-

treasurer in the 1970s, complains of a reluctance to some changes that I was pressing for 20 years ago," he

Luder, who is in private practice, says the profession's rules are "ridiculously restric-tive." If employment is to be found for all the architects now being trained, it will have to expand its role in industry as professional accountants and solicitors have done.

Derbyshire, who beat Luder last year in the RIBA Council's election to senior vice-president, it a bit bewildered by the renewed challenge to his suc-

"I cannot see what is wrong with our present democratic machinery," he says: "There is no issue of controversy that merits resort to a vote by the full membership.

"We seem to be suffering from the same sort of syndrome as the Labour Party-having to consult everyone about every-thing. If you push democracy to that extreme nothing will ever get done."

Topping out

Climbed to the roof of the London Chamber of Commerce and Industry yesterday to meet Julie Sherring, the year's top secretary—and, by the time the photographers had finished, top steeplejack and gymnast as well.

I had not realised before that one of the skills the successful girl has to demonstrate is the ability to stand on a table overloking a 100 ft. drop, place one foot on a typewriter, wave a brolly and a bowler and . . .

Miss Sherring demonstrated a nice sense of a balance through-out. "There is no way I'm standing on that," she smiled declining an invitation to join the photographers on an even more perilous parapet, before going round to the Guildhall to tute from financial difficulty get her well-deserved gold

years as medal, silver salver and cheque. human diet. One reason for Miss Sherring, now personal assistant to the general manager of the Hampshire Cattle-breeders' Association, plans a

future career in personnel

Aged 21, she lives at No space Lymington in the New Forest I would connect a where she pursues such tranquil pastimes as angling. For-tunately, the photographers yesterday could not find a fish-

in the can

Amid the encircling industrial gloom, brightly shines the little-light of Britain's perfood manufacturers. A survey published today shows that despite the recession, sales are up 14 per cent at some £500m annually, while the animal-loving British now account for some two-fifths of the entire European petfood market.

But what may be good news for the pets is less encouraging in its implications for the



She won the awards for head- the buoyant sales is that the ing the 173 candidates from a trend towards pre-packaged reform. "We have just got total entry of 614 who passed human food leaves less scraps some changes that I was the LCCI's private secretary's for Fido. Another more dishuman food leaves less scraps diploma examinations last year. turbing one is that people would appear increasingly to be buying petfood for their own consump-

I would counsel a second glance

at the February edition of those helpful monthly figures on new capital issues produced by the Midland Bank. The total by the Midland's reckoning is £82.8m, including £74.7m for corporate finance, led by the Associated Dairies rights issue. Which, if my memory serves me well. does not exactly do justice to the £100m of new money raised by the Government in its private launch of British Aerospace a couple of weeks back.

Club bonds

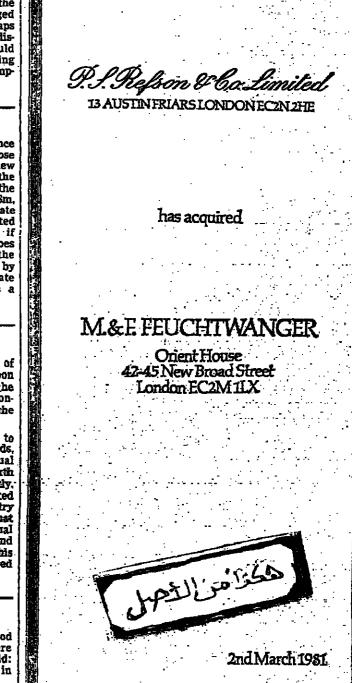
The resourceful gentlemen of the Reform Club have hit upon an ingenious scheme to raise the £200,000 needed for the "continuing rehabilitation" of the club's august premises.

Members are being asked to subscribe for £100 15 year bonds, which will be repaid in equal instalments between the sixth and fifteenth years-or directly. if members should be elected to that celestial club whose entry fees are calculated somewhat differently. As an additional sweetener, for every £100 bond which a member purchases, his subscription will be reduced by £5.

Still waters

Parent, driving down Flood Street, Chelsea: "This is where Mrs. Thatcher lives." Child: "No, it is not. She lives in 10, Drowning Street."

Observer



A long wait for the tide to turn

"THE development of Ellesmere E. Port is easy for the eye to The nucleus is the small port on the Manchester at particular the state of the Ship Canal where—if they are to be believed at the Grosvenor on Upper Mersey Street-ships from Riga tie up with cargoes from Aighanistan.

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There the town's earliest industries, a flour mill and an iron foundry, both now defunct, grew up. From this focal point concentric rings of housing fan out towards the green belt.

Along the canal and the Mersey, with which it runs-parallel—stand the three great industrial sites that made the town rich in the 1960s: the Vauxhall Motors plant, now working only one shift a day, the deserted Bowater newsprint mill and then, further upstream, the bright clutter of the Shell/ Burmah refinery complex, perched on the river bank like so much intergalactic washing up. Only "the Shell" despite some lay-offs in chemicals, has so far proved a stable source of employment in the present the Birkenhead travel-to-work

Everyone in Ellesmere Port can remember when they lived less at the last count. The prob-in a boom town. In the quarter lems of Liverpool itself are century after 1950 the popula-notorious, and Shotton with its can remember when they lived tion doubled, and in industrial dead steelworks lies just across terms at least a local politician, the Dee. was able, without irony, to call it "the jewel of the North West." Always a big company is doing its best, although it town, it attracted labour from North Wales as well as from Liverpool, and in 1971 more than 25.000 people travelled to nearby Warrington New Town. work there, while fewer than The great success, in 1979, was 7,000. "Portites" worked outside to persuade GEC-Fairchild to the town boundary. take a site at Neston for micro-

Bowater's closure cost the chip assembly. Neston is a region 1,600 jobs directly, smart commuter town on the perhaps 700 in Ellesmere Port other side of the Wirral, overpriself, and the knock-on effect looking the Dee, which was town has always been the there would simply have been probably means that 1,000 more grouped with Ellesmere Port in excellent, communications netmore redundancies sooner. In general the local government, work, which will be enhanced general the local people accept these. Vanxhall is reducing its reorganisation. It still look this month when the M53/M56 that the motor industry is workforce from 8,700 to 5,700, rather as though some bureaulink is opened. "The town has cyclical; after all, Vauxhall laid

lel lines across the peninsula to create the new borough.

dundancies. Ellesmere Port had

2,300 jobless a year ago; it now has more than 4,000; and that

does not count any of the de-

parting Vauxhall workers who

jobs round the corner. If any-

thing, Ellesmere Port is still

rather better off than most of

area, where an average 15.7 per

cent of the workforce were job-

An energetic local authority

faces competition from Mersey-

side—which provides top-up grants to new industry—and the

live in the town.

The great excitement about the GEC-Fairchild, venture was that it might have brought a whole lot of new, related indus-try into the district. Since the GEC link with Fairchild was dissolved, the Neston sile-THE HEART supposedly chosen because the Fairchild wives liked the views across the river is to be OF BRITAIN occupied by GEC-Marconi to build Stingray torpedoes, "computers with fins." Not quote so promising for spin-off indusries, but a very good consola-

One of the problems, according to Mr. Derek Sutton, the town's industrial development officer, is that local businessmen are available to them, and risk going bust out of sheer ignorance. Another is shortage of land, apart from derelict It is not as though there were sites, which are slowly being reclaimed.

> Shell is fighting a battle to have some land its owns (just outside the berough boundary) designated for industrial use: a local pressure group is intent on making it reclaim the Mersey sandbanks instead (apart from the horrepdous cost, this might just silt up the port of Liver-

In Ellesmere Port itself, the industrial units that are available are often far too big to river.' appeal to small businesses. It is to make up for the absence of what Derek Sutton calls "cheap railway-arch premises" in the town that the local authority is converting a block of blighted houses into small, short-lease commercial units

The main attraction of the in principle by voluntary re- crat in a hurry ruled two paral- special development area off nearly 3,000 in 1975 and strategic desire to lessen its

status," says Mr. Sutton, "but later took them back again. But dependence on the oil and alone the Vauxhall cuts, are I don't push that—you get the about the Bowater closure there wrong sort of people. We don't is real bitterness. Bowater wanted revenue aid approval for anything involving a job now gets rush priority. And everyone will tell you how well behaved the workforce is. The Vauxhall strike in 1979? "Some bad lads came over the

Ash Ash and a

Vauxhall with the running down of the short-time working subsidy. Mr. Tony Burnip, the Vauxhall plant manager, denies the charge-without the grants

-f6m or more per year for third of the borough's jobs, three years—to tide it over the against a quarter a year ago. difficulties caused by the exchange rate and the high cost of energy. Instead it was offered capital grants to build, new pulp mill and reduce Special Government grants dependence on imported are something of a sore point; chemical pulp. Minds did not people have been quick to meet. The Government can dependence connect the redundancies at claim it was generous, when perhaps it was not sufficiently flexible. But in Ellesmere Port the local people feel Bowater had made up its mind "If they'd offered to close. them gold bricks they wouldn't have stayed," according to one local businessman.

The events of the last few

petrochemical industry back by recent enough for the full effect several years. The refineries on the town's economy not to will soon account for about a

What worries the local trade unions most is that the labourintensive businesses are being lost. Shell is investing around £100m on a high olefines plant; Air Products is spending £50m. and a new power station has been built. But the labour content is small-in these activities it can take £1m of capital spending to buy one new job. This explains why great importance is attached to Vauxhali's decision to manufacture the new Astra at Ellesmere Port, although this is partly sheer Vauxhall's long-term commitment to the region is

shops are busy, and the 2,000 space central car park is full. at least on market day.

In the Grosvenor they will tell you that petty theft is on the up and up, not to mention GBH, and that it is unwise to hang around the lower areas of the town at night. The local Jobcentre is

friendly and agreeable place, but half the jobs on offer seem to be in Berlin and Libya, For the skilled, things are not too bad: Mr. Burnip says some of Vauxhall's skilled workers can take redundancy money and find work elsewhere. Mr. Laurie Tunna,

manager of Barclays Bank, months have put the town's still felt to be in question. finds that his smaller com- Tomorros strategic desire to lessen its. The Bowater closure, let mercial customers are holding Stevenage.

up surprisingly well. So far his bad debt experience is no worse than the national average. But he is afraid that as earningsrelated benefits run out consumer spending could drop very steeply. For what it is worth, most redundant Portites seem to be putting their payoff in a deposit account or a building society, despite the Govern-.discouragement of

In the property market, firsttime buyers are still active, but anything over £20,000 is sticking like glue." according to one local estate agent. Mr. Don Robinson. He blames the unemployment threat of rather than unemployment itself for the paralysis of the pro-perty market. Prices are low, even by Merseyside standards —in Elton, a village near the Shell refinery, a two-bedroom semi with a garage goes for £12,500. Mr. Robinson reckons that emigration (of skilled paper workers. mostly to Canada and South Africa) accounts for a quarter of his business, and the increasing divorce rate for another quarter.

Although the strain on the social fabric is increasingly severe, superficially at least Ellesmere Port gives the impression of a place where people are resigned to tem-porary adversity without being dispirited. According to Mr. Ray Bernie, chief executive of the borough council through the ups and downs of the last "then we had 20th century industry—oil, motor cars. Now with GEC-Marconi it is the 21st century. We have changed our industrial base before; we can do it again. If Ellesmere Port basn't got a future, then where's the country's future?" Down in the Grosvenor they are talking about Prince Charles.

Tomorrow: a report about

Witnesses: The Treasury. Room

Letters to the Editor

Economic policy

From Professors Surrey. Gwilliam and Allen and other members of the School of Economic Studies. University of Leeds

Sir, - The Government's economic policies rest on two assumptions, frequently reiterated, which deserve to be forcefully rejected. The first is that reducing inflation must take precedence over all other objectives of policy — notably high employment - and that conquering inflation will, of recovery. The second is that From Mr. M. Nicholson there is no alternative to Sir.—The analysis i no alternative to ... present -deflationary policies.

among ourselves about what constitutes a preferable alter-native to the present course. but we are at one in believing even to consider other courses is dangerously obsessive. This refusal tends to lead to the restriction of critical dehate and, in turn, to an unthinking blanket rejection of present policies without the construc-tive presentation of any wellthought-out alternative.

We strongly urge that those who believe, as we do, that the current level of unemployment cannot be justified as a necessary condition of economic recovery should continue constructively to discuss the other

(Professors) M. J. C. Surrey, K. M. Gwilliam and V. L. Allen and J. A. Chartres, G. J. Black, G. L. Turnbull, S. G. Ogden, M. Collins, H. K. Radice: R. Bellamy, P. D. Bougen, M. J. Stephenson, M. Hudson, J. V. Hilliard, A. D. Pearman, J. K. Bowers, B. McCabe, A. J. Wynne, G. F. Rainnie, A. El-Ag'raa, J. F. Brothwell,

Opencast

From Mr. D. Godfrey Sir,-I read with some amazement the item headed "Call to cut opencast mining" in the Financial Times of February 26. This report by The Opencast Mining Intelligence Group report implied that reducing the volume of coal produced by opencast operations would ance scheme." increase the National Coal - The contracted-out pension Board's overall financial efficiency. What absolute rubbish! the national insurance scheme

ton while opencast mines made about £7.30 per ton. To reverse the argument

Group, would it perhaps be and Social Security when he or worth considering that if the quantity of coal produced by that individual gmp is then openicast methods was increased inflation-proofed under the proby 5m tons then the NCB would operate at a profit?

veniently ignores in its arguments that there is a large section of industry serving opencast mining operations. The coal produced from opencast is large and limiting it if, the mining operations can compete with imported coal and it would perhaps be worth considering allowing the Central Electricity Generating Board and British Steel Corporation to nurchase rather than having to buy pension for which they are

1.25.

The schemes of contracted-in overlooked and that is that those There is a very real danger that the opencast coal industry will be made a scapegoat to meet the deep mines insistence on keeping uneconomical pits insurance scheme. open. The opencast mining industry is efficient and flexible Raymond Nottage.

36E, Arkwright Road, NW3. and the sums of money involved in large draglines and other

this industry has to be

equipment is quite considerable

From Mr. R. Possamai D. Godfrey. Cobwood. The mining Sir,—The analysis by the for companies with more than Openeast Mining Intelligence about 300 employees. Smaller As economists, we differ Group (February 26) throws a new light on the cost of averting the miners' strike which has been put as high as £600m. The reduction in the National e reduction in the National correctly planned, also provide Board's mining deficit tax-free benefits and do not resulting from a change in open-cast policy was assessed at £70m.

with the lower level of coal stocks giving a cash flow saving of £200m. This, however, is not the whole story.
From its: 1979-80 accounts it would seem that the NCB is borrowing at 12 per cent: The

funding of these unnecessary stocks would add a further £24m to the NCB's deficit for as long as the stocks remained unsold which will be several years at least. In addition there is the cost of putting 10m tons down to stock and taking it up which would probably amount to £50m (at a conservative £5/ton). The exact details of the rescue

package for the NCB have not been disclosed but it would certainly appear that a change in opencast policy could make a significant reduction in the level of Government support required. A cash flow benefit of £200m and annual savings of the order of £100m are not to be sneezed at! M. B. Nicholson.

The Manor, South Hiendley. Pension

funds

From Mr. R. Nottage. Sir. - Mr. Sibly of the Legal and General Assurance Society is surely well off course when he asserts without qualification (February 26) that "Private funds, contracted out or not, are not part of the national insur-

schemes are an integral part of The figures clearly show that because: they must pay guaranin the last financial year the teed minimum pensions to all deep mines lost about £1.20 per their members in accordance with the provisions of that scheme; the gmp for each of their members is determined made by the Opencast Mining by the Department of Health visions of the scheme through the medium of the NI fund, and It would appear that the the number of employees Opencast Mining Group con- covered by the contracted-out schemes is one of the factors that determines the national insurance general contribution rate, inflating it if the number

number is small. The contracted-out schemes cán thus be said to be outside the national insurance scheme only in respect of the pension obligations in excess of the opencast coal produced locally statutory guaranteed minimum

employers that "top up" the state pensions are, of course, quite separate from the national

Sick pay plans .

Sir,-In his article about sick pay plans (February 23) Eric Short commented on the growing interest in trust-linked because of the practical difficulschemes are usually viable only should last 1000 hours. companies, however, may take comfort from the fact that conventional sickness or sickness and accident insurances, if attract National Insurance contributions. Conventional insurances may cost proportionately more than trust-linked schemes, but they nevertheless maintain the advantages of providing net benefits and protecting employers against potentially costly periods of widespread sickness

Ray Possamai. Lowndes Lambert Group, P.O. Box 431,

Domestic heating

From Mr. A. Ridd.
Sir,—Mr. B. Holden (February 27) in criticising my remarks about domestic heat pumps (February 23), equates servicing an oil fired boiler, which, except for the burner, is a simple static piece of equipment, and which is largely just a matter of cleaning, with the engineering servicing of a car or of a heat pump installation. These are almost incomparably complex and sophisticated, the latter containing one or more reciprocating compressors, evap-orator with fan and an electric drive of some size, say 3 to 6 hp, unlike the fractional horse power unit in a domestic refrigerator or freezer.

He then lightly dismisses my remarks about the decline in performance of a domestic heat pump from its initial or claimed value. I refer him to the Technical Page of your newspaper of December 29, "Designed to test heat pumps" in which is described a testing facility set up by the Building Research Establishment, Garston, Herts., precisely because of the phenomenon I referred to. A. W. Kidd.

Seend, Melksham, Wiltshire.

Civil Servants' strike

From Mr. A. Griffiths Sir,—If the civil servants decide to strike just before Budget Day, may we be assured that they will not be paid for the day when they are not work-All too often large organisa-

tions find it administratively inconvenient to stop the pay for those on one day token strikes. The argument is that the costs involved in making the reduc-tions are greater than the sums saved by not paying for the days

A fundamental issue is at Kelantan, 8. High stake here, which should not be Heathfield, Sussex.

who choose not to work should not be paid. There is a secondary factor, and that is that trade union leaders find it easier to persuade people to take strike action if they are going to be paid anyway. A. R. B. Griffiths. 37. Hillcrest Road

Loughton, Essex.

Shedding light

From Mr. E. Banchero schemes. It may not be Sir,—Once more I read (Techgenerally appreciated that, nical Page, February 24), with interest of this strange notion ties of installing them, such that conventional light bulbs I have 17 x 75w bulbs in my

office - which therefore are within the recommended power suggested by the light fitting manufacturers — and I have monitored these now for a period of 18 months during which I have recorded that the average life is well below 500 hours, 400 hours being the

In complaining to the various manufacturers they at first express surprise that I should use light bulbs in the office during the day instead of neon strips (indicating perhaps that bulbs are intended for a captive domestic market?) they then proceed to blame either the fit-ting manufacturers or variations in the electricity supply.

The manufacturers are in the business of making money and no one is blaming them for it. but one feels it is a poor show that they should produce and market bulbs the short life of which is all too clear if you use them 10 hours a day under office conditions.

I am now starting a new and more controlled investigation and will in due course return the spent bulbs to the various manufacturers and if everyone did the same we might persuade the interested parties to im-prove the life expectancy of an everyday consumer product at a resultant considerable saving to the economy. E. G. Banchero.

The Studio.

Difficulty in shopping From Mrs. P. Gibson.

Sir, - In this Year of the Disabled, may I make a plea to shopkeepers to have a few chairs or high-stools in their stores for disabled or weary cus-Recently I strained my back.

On visiting our local large shoping town, I looked hopefully in each store I entered for a stool or chair on which to perch for a few moments to rest. With one exception, I looked in vain. Eventually I returned home earlier and with fewer purchases than I had intended simply and solely because of factigue and pain in my back which could have been allevisted by a few moments with the weight off my feet! There must be many other permanently and more seriously disabled as well as expectant mothers, whose need is far greater than mine.

Shopkeepers who are kind,

and far sighted enough to have

such facilities, available to their

customers, will surely increase

both their sales and "good will" by this thoughtful gesture. . (Mrs.) Pauline Gibson. Kelantan, 8. High Street.

GENERAL UK: Lord Carrington, Foreign

Secretary, speaks at Westminster Chamber of Commerce lunch, Hotel Inter-Continental, W1. Prince Philip opens Careers Savoy, WC2. for 1980s exhibition, Kelvin Hall, Glasgow (to March 6). Mr. David Howell, Energy Sec-

Mr. John Moore, Energy Parllamentary Secretary, addresses British Manufacturers of Petro-

leum Equipment conference on energy for tomorrow's world, Mr. Andrew Knight, Editor of

swing to the Right, International pendent strategic deterrent.

Today's Events

seminar on Eastern Europe: Focus on Contra Trade, EC4. Mr. David nowell, Entry, overseas: Overseas: Soviet Commercial Party Congress concludes in

Politburo, Moscow. EEC Energy Ministers meet, Brussels.

European Coal and Steel Community Council meets, Brussels. PARLIAMENTARY BUSINESS House of Commons: Debate on the Economist, speaks on the Government motion on the inde-

Advertising Association lunch, Motions on the Town and Counavoy, WC2. try Planning (Fees for Applica-London Chamber of Commerce tions and deemed applications)

Kremlin with election of ruling 1981. Water Bill, second reading. OFFICIAL STATISTICS Industry Bill, committee stage. Trees (Replanting and Replacement) Bill, report stage. Pet Animals Act 1951 (Amendment) Bill, third reading. Debate on privitisation of certain local

authority services. Select Committees: Procedure (Supply), on supply procedure. Birmingham, 12.

15, 4.15 pm. Transport, on transportation in London. Witnesses: British Railways Board. Room 17, 4.15 pm. Foreign Affairs, Committee, on role of British aid in the economic development of Zimbabwe. Witnesses: UK Coun-Overseas: Soviet Communist Fund Bill, third reading. Maxicil for Overseas Student Affairs. arty Congress concludes in mum number of Judges Order Room 8, 5.30 pm.

> UK official reserves for Febru-Capital issues and redemptions (during the month of COMPANY MEETINGS

Alexanders Discount, 1 St. Swithin's Lane, EC, 12. Associated Sprayers, Plume Street,



ST. JOE COAL.

After three generations of growing dependence on oil, the world is rediscovering coal. So is St. Joe, which has become one of America's leading coal producers and exporters.

St. Joe, together with a partner, mines coal in over twenty-five Eastern locations and now plans further large increases in its production of low-sulphur coal. In addition, St. Joe expects to make

major investments in American port facilities. Coal is just part of St. Joe's ex-

citing future. In the early 1970s, St. Joe embarked on a wellplanned course of diversifying into rapidly growing markets for precious metals, energy, and other natural resources.

This ten-vear capital expansion program should total over three billion dollars by 1984. And

it is already beginning to pay off. Discoveries in energy around the world will add to St. Joes earnings and growth.

With all this happening, isn't it time you discovered St. Joe?

DISCOVER US.

ST. JOE MINERALS CORPORATION **ENERGY & METALS**

For a copy of our Annual Report, write to our Director of Investor Relations, Kathleen M. Kucera, Box 1H, St. Joe Minerals Corporation, 250 Park Avenue, New York, New York 10017.

Brocks Grp.

dealings

suspended

The Brocks Group of Com-panies, which reported a heavy loss in the first half of the current year, yesterday called a halt to dealings in its shares pending an announcement. The Dorset-based electronics company had no comment to

company had no comment to make on the suspension. At the

against terminal 105825 as a result of Far Eastern marine electronics products being dumped in Europe. Apart from foreign competition, the marine ride was also hit has a likely as a like

side was also hit by a collapse in U.S. demand and the chair-

man had forecast a substantial

loss for the current year.
In the first half of the current

year the marine side was run-ning at a loss of about £60.000 a month, and a deterioration-elsewhere in the group brought.

the total pre-tax loss for that period up to £533,462. At the

interim stage the group had. Nebts of around £3m — about

two-thirds of shareholders' funds... Mark Ltd. is shown to have...

6.8 per cent stake in the.

Unochrome

sees marked

A MARKED reduction in profit-ability in the current year was likely at Unochrome Industries, Mr. R. A. Le Page, chairman, told

mebersm at the annual meeting.

This prospect was confirmed by the group's experience over the

first four months' trading, he

larly in the mainstream engineer-ing service companies, had been

reduced in volume, although overall the group had traded profitably over this period, he

For the year ended Sept-ember 30, 1980 pre-tax profits increased to £1.07m (£860,000).

AID up

sharply at

year-end

TAXABLE PROFITS of Allied

International Designers Group

International Designers Group improved sharply from £99,601 to £204,660 in the year to endOctober 1980, on sales of £1.69m, compared with £1.26m.

During the period the company, formerly United Rubber and Coffee Plantations (1932), was radically transformed. In February, it acquired Allied International Designers, to which it subsequently changed its name, and in August Foxvale was purchased.

was purchased.

The announced profits reflect

the combined results of the two subsidiaries and parent company

on an annualised basis. Appor-

tionments that were necessary

were made on a strict time basis.

Only the profits, accruing to the parent from the two com-

panies from the time of their

acquisitions (AID for eight months and Foxvale for four months) are included in the

over for the period April 1, 1979, to end-October, 1980, of £806,702

and a taxable profit of £103,412 (£58,000 loss for the year to end-March, 1979) after interest receivable of £12,651 (£1,575). Tax took £56,893 and there were extraordinary and £6,000

extraordinary credits of £6,030. Earnings per share (weighted average) were 1.33p.

The directors expect further

growth in the current year and

while an element of investment

and consolidation is expected,

they intend to recommend pay-ment of a dividend for 1981.

The intake of work, particu-

profit fall

Royal's underwriting losses rise to £40m

Canada. Australia and the U.S. the underlying growth in invest-were the main factors in pre-tax ment income being 17.6 per cent. profits of Royal Insurance de-clining from £131.5m to £122.5m premium income combined with in 1980. The company had fore-cast profits of £120m in Decemin 1980. The company had fore-cast profits of £120m in Decem-ber, at the time of its rights solvency margin rising from 47

wide business more than doubled account the proceeds of the rights last year from £16.5m to £40.4m, issue. This money would ad 9½ which higher investment income, percentage points to the margin. head to £146.7m (£133m), failed to fully offset.

Lower tax charges and minority interests resulted in a net profit of £70.2m compared with £73.8m in 1979, which was before a special item.

The company is paying a final dividend, as forecast, of 14.75p net, payable on the capital as increased by the rights issue. This makes a total distribution of 24p (34.29p grossed-up) against 21.5p.

Premiums written last year rose only marginally from £1.23bn to £1.24bn, the growth having been adversely affected by the movement in exchange rates— more cases of arson and a the underlying growth rate was cutting-down on safety presument in exchange rates— more cases of arson and a cutting-down on safety presument. There was a deterioration of the control of the cutting down on the c change rates also accounted for tion in the homeowners line with £5.3m of the reduction in pre-tax

The underwriting result year was I benefited by £4.3m, but the invest, with 100.8.

The relatively slow growth in

sue. per cent to 53 per cent at the Underwriting losses on world- end of 1980, not taking into Premium income in the U.S.

rose only 3 per cent in dollar terms last year, while the underwriting loss virtually doubled to £16.1m (£8.2m). The increase in loss arose mainly from the com-mercial lines, with the multi-peril business having a considerably lower profit, and all other major lines considerable losses. How-ever, losses in personal motor and workers' compensation were re-duced. The company reported an unusually high number of large fire claims and an increased

claims frequency. The recession was resulting in more cases of arson and a higher theft losses.

The U.S. operating ratio last result year was 102.4 per cent compared

Frederick Parker dives into loss and no final

HIGH INTEREST rates, inflation likely to remain difficult and and the strong pound made sub-stantial inroads into margins of the Frederick Parker Group the action taken throughout the leaving the construction equip- group to conserve cash resources ment concern with a loss before tax of £692,000 for the year will be in good shape to partici-ended September 30, 1980. Pre-viously, there was a profit of industry. On this basis the £2.81m, before the write back of an exceptional provision of faced with confidence. £1.27m. Interest charges ove

The final dividend is being omitted and therefore the interim of 1.2p compares with the previous year's total of 8.993p per share.

The start of the current year has been disappointing and prospects are uncertain, Mr. Kenneth Current cost pre-tax loss was Parker, the chairman, states. £2.31m (£2.56m profit). tion industry at a very low level. traded on the market made by at home and abroad, business is M. J. H. Nightingale and Co.

and to reduce operating costs, it pate fully in any recovery in the industry. On this basis the medium and long term future is

soared from £139,000 to £1.1m. There was a tax credit of £1.02m (£0.93m charge) giving a net profit of £330,000, against £3.15m last time. Earnings per share dived from 21.8p to 2.3p.

Interest charges over the year

Sales, however, rose from £31.67m to £34.55m. company's shares are

In Canada, where Royal is the largest insurer with 9 per cent of the market, difficult trading conditions resulted in underwriting losses nearly doubling from £14.9m to £24.1m—slightly greater than the investment income received on the funds come received on the funds. Motor lines accounted for twothirds o fthe loss and there was an increased number of large claims on the property account.

There were some signs of realism coming into the market with rate increases in personal motor and homeowners lines, but more increases were needed to improve business.

Underwriting losses also doubled in Australia to £8.5m, against £4m, and again invest-ment income failed to cover the losses, despite a buoyant stock

The bright spot for Royal was its UK account, where premium income improved by 18; per cent and underwriting profits were wel up from 55.6m to £10.4m. There was a modest loss on the motor account, but most other lines were profitable, the property account benefiting from favourable weather conditions and reduced fire damage costs in the second half.

The liability account in the UK was hit by a substantial rise in the average cost of claims. A satisfactory result was achieved in the Netherlands with the continued profitability of motor account. Losses on other business resulted in a slightly lower underwriting profit of £4.3m against £5.1m.

Underwriting in the other overseas territories moved from virtually breakeven to a loss of £8.5m. Business in the Cartbbean, South-East Asia, and Western Europe recorded losses.

Mr. John Howard, Royal's chief general manager, said that the group intended to reverse the trend of losing its share of the market, and over the next five years intended to show real growth with a higher market share and produce satisfactory profits for shareholders that gave a satisfactory return on capital. There should be real growth this year-pre-tax profits for 1980 gave a return on capital employed of nearly 22 per cent.

He expected another difficult year in 1981, but some improvethereafter as countries pulled out of recession.

The company's shares are dealt in on the Unlisted Securities Market. ARGYLL FOODS ACCEPTANCES

Acceptances have received in respect of 99.2 per cent of the 12.46m shares of Argyll Foods offer in a two-forfive rights issue at 65p a share. The remaining shares have been sold at 123p a share, yielding £185,000 (nil).

net proceeds of 57p a share.

For the 1979-80 year the divi-

Noakes 2nd int. 38

Royal Ins. 14.75† May 22 13.25

IOM Enterprises 4: Neepsend int. Nil

invergordon Dist.

DIVIDENDS ANNOUNCED

payment payment

Dividends shown pence per share net except where otherwise stated.

Date

April 3

July 1

Fisons' profits slump and final payout cut

NEARLY DOUBLED finance charges cut deeply into Fisons' 1980 profits, already depressed by a loss in fertilizers. With weaker profit performance in all divisions the fulltime pre-tax total dived £13.51m to £3.83m—the second half showing a fall from a £9.85m

to a £1.47m deficit.

The net final dividend is being cut by, more than two thirds to ip. Good growth in profitability overseas combined with lower earnings in the UK where no cor-

poration tax is payable due to allowances and reliefs, resulted in a higher tax charge of £5.04m (£4.13m). This led to a group net loss after minorities of £1.43m, against a £13.22m profit. At the attributable level the loss soared to £16.83m (£12.12m profit) with provisions for reorganisation costs lifting extra-ordinary debits to £11.87m (£57,000 credits) and £3.58m (£1.16m) being absorbed by exchange movements.

Despite the impact of strong sterling on exports, estimated at £20m, external sales edged forward 5 per cent from £433m to £454m. However the recession in the EEC and North America pushed operating surplus down 31 per cent to £16.39m (£23.85m).

Interest cosis jumped 93 per cent to £12.56m (£6.51m) be-with inability to recoup higher cause of high interest rates at home and generally tight liquidity in the market place which delayed the normal cash inflow at the peak of the agricul-side o tural cycle, the directors explain. In the second half a number of

In the second half a number of far-reaching changes aimed at improving the operation of the divisions were begun. In fertilisers, where there was a £1.12m loss (£2.91m profit) on sales of £194m (£196m) production in being consolidated at the group's major works at Immingham and Avonmouth. This has resulted in a reduction of £100. resulted in a reduction of 1,100 jobs, and the substantial savings will flow through to profits in the second half of 1981.

At the same time the scientific equipment side, where profits slumped from £4.65m to £2m on being re-organised. Fierce competition during the

year continued to erode margins on agrochemicals and though sals here rose 8 per cent to £84m profit dipped to £2.24m (£2.69m). Volumes of Nortron, the Fisons' sugar beet herbicide, grew strongly particularly in the U.S. The strong pound adversely affected pharmaceutical profits by

markets, especially Japan, Germanny, Scandinavia and the U.S., where significant growth potential remains, the directors

markets, especially Japan, Germanny, Scandinavia and the U.S., where significant growth potential remains, the directors say.

A disappointing second six months, following a strong start to the year, pushed profit from horticulture down from £1.33m to £1.02m. This was due to reluctance by distributors to take in their traditional levels of stock in advance of spring usage. stock in advance of spring usage. As a result sales rose only 8 per cent to £24m despite higher market share. Cash conservation measures

and control of working capital contained the net outflow of cash from the group to only f2.6m. This was helped by the joint venture settlement in agrochemicals, Group borrowings remain well within its committed facilities the directors The net total dividend

reduced to 10p (16.45p) with the final cut from 9.555p to 3.1p.

rather quickly but it has become obvious that margins in

Silentnight executive

anits Board

Silentnight Holdings, the bedding and upholstery company, yesterday announced that Mr. Kenneth Murray, one of its two-executive directors, had left the

board. It did not, however, say why he had left or give any details' of possible compensation. Mr. Murray was with the company for 12 years and joint group managing director for two years.
Profits of Silentnight slumped

from £1.86m to £711,000 before tax in the half-year to August 2. 1980. But the company said in October, when announcing these figures, that trading conditions: had improved and all factories were on full-time working,

Neepsend £1.66m loss midway

FOR the half-year ended Sep-tember 30, 1980, Neepsend 25p share—interim was 1.015p— make some difficult decisions suffered pre-tax losses of £1.66m, from taxable profits of £1.37m. rather quickly but it has against £810,000 profits and the interim has been omitted. And the directors have decided to terminate many of the company's tracted due to the strength of steel activities. They are of the opinion that

there is no long-term future for the company's traditional posi-tion in steel. The level of trading losses has been reduced since September 30, and the termination plan, when fully implemented, is designed to ensure that the group returns to profitability.

As a result, the directors say Neepsend will emerge much leaner, more efficient and capable of taking full advantage of any upturn in trade.

In addition, the directors will be able to concentrate financial and management resources into the more profitable areas—in particular ferro alloys production. DIY and other tooling, and the new casting facility—while the company will also be able to expand and diversify mor advantageously in other fields.

Sales for the six months dropped from £17.41m to £11.67m and loss was incurred after interest of £680,000 against £584,000. There was a tax credit of £497,000 (£396,000 charge) and an extraordinary debit

Corre- Total

sponding for

The directors say that a high volume of exports was main-tained, but margins have consterling. Another major factor affecting lower value of exports -£2.04m (£2.63m)—the substantial reduction in the world price of molybdenum. The directors say they will

take whatever action may be required to ensure the future prosperity of the group, of which they are fully confident.

The ground had been well the balance sheet—now about prepared for Neepsend's interim loss. On an astronomic (and purely notional) historic yield and trading at half par value borrowings. In the meantime, before yesterday's 1p rise to 13p, the market was braced for the under £2m.

re-rolling and stockholding have entirely disappeared (and probably turned sharply nega-tive) and the scheme which Neepsend is now planning to put to shareholders will pull its activities onto the reduced platform of ferro alloys, the newly installed vacuum casting procapacity and tools with a DIY emphasis. These. Neepsend says, are_capable of pulling the group back to profits once the traditional steel activities are out of the way. The effect on

Blagden & Noakes margins hit

PRESSURE ON margins was end of the long period of chemical industry during the the main reason that pre-tax destocking. profits of Blagden and Noakes (Holdings) tumbled from £5.65m to £2.59m for the year ended December 28, 1980, on turnover £1m lower at £60.22m.

First-half taxable profits had trading areas also reflected the

With yearly earnings per 25p share down by 8.7p to 17.7p, the second interim dividend, in lleu of final, is being cut from 4.7p to 3p, reducing the total payment to 6p (7.7p) net.

Overall, there is little sign of recovery although demand appears to have stabilised after several months of deterioration, the directors state. In certain areas there are slight signs of improvement, which they

Included in the second half was turnover of £1.6m from Cargill Blagden (renamed B and N Chemicals), so that the actual fall in sales is somewhat greater than would appear, the directors point out.

It continues to seek every possible economy in its operations, consistent with maintaining the essential base from which to

trading revives. Interest charges over the year jumped from £164,000 to £462,000. There was a tax credit of £141,000 (£1.37m charge) and after deducting minorities, attributable profits came out nearly £1m down at £1.88m.

comment The sharp downturn in the

collapse of profits at Blagden and Noakes, makers of steel drums and manufacturers and merchanters of chemicals. The volume of drums and casks. fallen from £2.82m to £2.1m.

Poor demand for steel drums and plastic automobile components continued throughout the second six months and other trading areas also reflected the After spreading out the final tax credit, attributable profit in the half was less than Any hopes for the £100,000. current year rest on better-demand in the latter half plus the benefit of the new formalde:. hyde plant coming on stream in the summer. The final dividend was cut by a third and the shares dropped 4p yesterday to 95p. However, the 9 per cent yield and the strong balance sheet should provide some support until trading conditions improve.

second half is reflected in the

The Wagon **Finance Corporation** Limited HIGHLIGHTS FROM THE S. M. de BARTOLOME 1980 ANNUAL ACCOUNTS The audited results for the Group for the year ended 31st December 1980 compared with the previous year are as follows: 1979 £16,403,140 £13,824,138 Turnover Consolidated profit before 9.243,450 7,709,067 interest on borrowings Interest on borrowings 7,158,467 Bank loans and overdrafts 815,564 673,836 Deposit loans 7,974,031 5,655,434 Consolidated profit before 1,269,419 2.053,633 taxation 701,701 1,108,664 Taxation Consolidated profit after 567,718 944,969 taxation Dividends Paid-interim: 2.5% 145,692 145,667 Proposed-final: 6.75% 393,367 393,300 539.059 538,967 Retained profit for the year £28,659 £406,002 **Group Profit 1980** The Group profit for 1980, before interest on borrowings and taxation, was £9,243,450 compared with £7,709,067 for 1979. After deducting interest on borrowings the Group profit before taxation is reduced to £1,269,419 compared with £2,053,633 the previous Although interest rates eased slightly towards the end of the year, the average Finance House Base Rate for 1980 was 17% compared with 13.46% for 1979 and 8.75% for 1978. Our own money costs were £7,974,031 compared with £5,655,434 for 1979 and £3,073,155 Towards the end of the year, due to the economic situation prevailing throughout the Country, the demand for instalment credit slowed down and in consequence our advances to customers in 1980 showed an overall reduction of just under 4% compared with 1979. Nevertheless our instalment credit balances stood at £60,016,922 (1979: £60,010,833) before deducting unearned finance charges of £10,780,762 (1979: The consolidated profit after taxation of £567,718 is equivalent to earnings per share of 2.43p compared with 4.05p for 1979. However, your directors are of the opinion that the peak may well have been passed as far as interest rates are concerned and recommend a final dividend of 1.6875p per share which, together with the interim dividend of 0.625p per share, makes a total of 2.3125p per share (9.25%) for the year. This maintains the dividend at the 1979 level. Turning now to the future, with the Country in the midst of the deepest recession for many years, it is impossible to predict the outcome for 1981. Without doubt it will be a most difficult year but we commence this period with some ray of hope in the falling interest and inflation rates. Whilst I believe that the volume of new business advances will continue to be affected by the current recession coupled with rising unemployment, I am confident that your Company will be in a strong position to take advantage of any upturn in the economy. Parhaps the Government should bear in mind that in a period of over seven years of very high inflation, there has been no adjustment to hire-purchase controls for the private car customer. Whilst I do not believe that a change would greatly hinder the present Monetary Policy, I am positive that it would have some effect

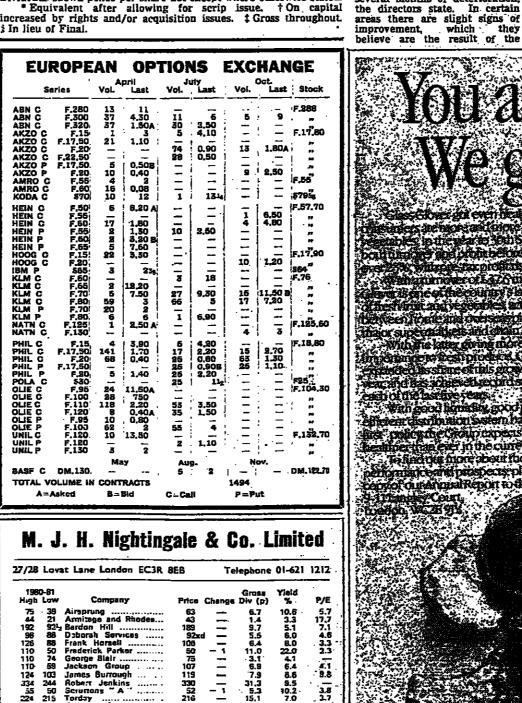
mployment and help to restore confidence within our basic steel, engineering

Copies of the Annual Report available from: The Secretary, The Wagon Finance

Corporation Limited. 3 Endcliffe Crescent, Sheffield, \$10 3EE.

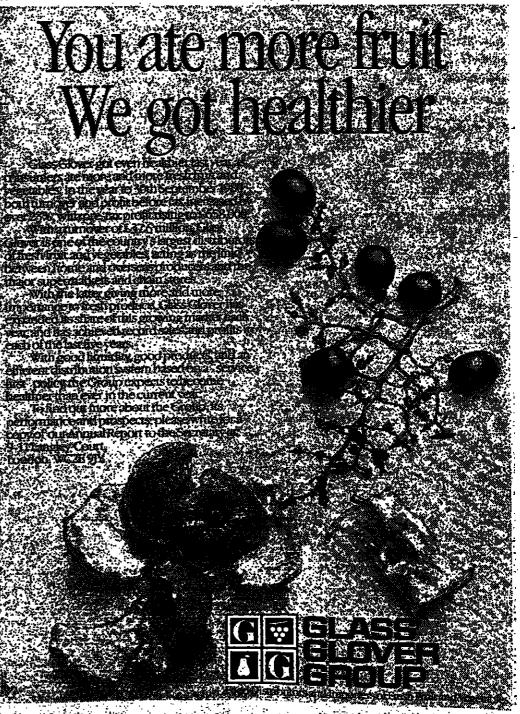
13th February, 1981.

and other associated industries. S.M. de BARTOLOME, Chairman.



5.1 9.8

16.0 3.0 5.7 12.1





Twinlock 15% ULS

partnership.

UK ACQUISITION

Turnover for 1980 Thompson was £36m.

F.C. FINANCE

DAVID DIXON

£1,036,56% ordinary.

company has extensive food

distribution interests in the UK,

which will complement the

expanding interests in the industry of H. C. Sleigh, both in the UK and worldwide.

Co-operative Bank has re-ceived acceptance for its offer

on 1.04m ordinary shares of FC Finance, representing 80.05

per cent of the shares it did not already own. The offer has been

extended to March 5. Prior to offer, made on January 20, the

To simplify its capital struc-

ture, David Dixon and Son Holdings is to offer 55p cash for

each 3.85 per cent preference

LOW & BONAR DEAL

ment Review Authority has given

approval for the C\$11m (£4m) cash deal, by which Low and

Bonar Group will buy the 45 per

cent minority interest of Bemis Company Inc. of the U.S., in

their jointly owned western

put all Low and Bonar's £32m, 14-plant Canadian packaging net-

work into one company-Bonar

Packaging. It will strengthen the north American presence of

the group, whose other interests

WOLSELEY-HUGHES

Weiseley-Hughes has purchased LCA Pipelines, a subsidiary of Syltone. At March 31, 1980, LCA

to reduce its bank borrowings.

ALBERT FISHER/

HARRY YEARSLEY

the bulk buying of produce and will further extend its activities

into the primary wholesale mar-ket trade.

losses being incurred.

process industries.

The completed transaction will

Canadian packaging company. .

GETS APPROVAL

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1271 -1.500

night

tive

Roard

Holdings, te. 1 100

Your Family and

ended for Wm. Press expansion buy more Whitley Bay ich reported it is first half of its last e suspension) set pased element set pased eleme

mechanical engineering con-fractor, is creating a holding company, William Press Group Fublic Ltd., to separate its management activities from its trading activities.

Mr. William Hawken, group chairman, said yesterday that "in this way the two functions th entire down He continued: "During the 1970s we achieved impressive growth with turnover rising from £54m in 1971 to £227m in

1979.

""We foresee beyond the substantial present recession, substantial prospects for a further increase in the group's current business. as well as scope for adding to its range of activities by acquisition both at home and

He added that in order to deal effectively with future expansion a new holding company would be created separating group management and financial control from the trading operations.

It is also proposed that the small amounts of preference share capital and the two out-standing loan stocks should be acquired or cancelled for cash.

The terms that are to be offered to the share and loan stockholders are one new William Press Group share of 10p, credited as fully paid, for every two shares in the company. Other terms offered are 73p in cash

company, has sold Marshall Morgan and Scott Publications.

of the Pentos group since 1975. Pentos said yesterday that

Marshall Morgan had incurred

losses in the December 31, 1980, year, and at that date its net asset value was £600,000. "The

sale will enable the whole of this sum to be realised."

issued share capital of the sub-idiary had been sold to a con-

sortium of investors which

includes the present managing director of Marshall Morgan, Mr.

David A. Payne. The new chair-

man of the company will be Mr. William Fitch.

Christian books and literature, music and records. "The disposal

to reduce investment in pub-lishing by concentrating resources on the mainstream

TDC U.S. VENTURE

Technical Development Capi-tal has established a relation-

publishing activities,"

ACentmy of

Marshall Morgan publishes

Pentos explained that the

ompany which has been part

BOARD MEETINGS

The following companies have notified The following compenies nave nonnecdates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official Indications are not systlable as to whether dividends are interime or finals.

interime or finals.

TODAY
Interime:—A.A.H., Ayer Hitem Tin
Dredging Melaysis; Diptoms, Elder
Smith Goldebrough Mort.
Finals:—British Vita, C.S.C. Investment Trust, Grindlays Holdings, Marcandle Investment Trust, Mount
Charlotte Investments, Provident
Financial Intilinar Univers Caption Investments, Provident Charlotte Investments, Provident Financial, Unitaver, Unitaver NY.
Winston Estates, Woodhouse and

Rixson.	
FUTURE DATES Interims:— Clark (Monthow)	-
Interims;—	
Clark (Matthew)	Mar. 4
Courtney Pope'	Mar. 6
Crossiciars Trust	Mar. 4
Downing (G. H.)	Mar. 10
Maynards	Mar: 11
Scholes (George H.)	Mar. 9
Second City Properties	Mar. 19
Talefusion	Mar. 6
Caston Industries	Mer. 12
Cariton Industries	Mer. 6
Clay (Richard)	Mar. 12
Farmer (S. W.)	Mar. 9
Farmer (S. W.) Greenfielde Leisure	tMar. 6
Jones (A. A.) and Shipman	Mar. 18
Needlere	

cash for each £100 nominal of 8 The offers are to be implemented under section 206 on the

P. S. REFSON share of David Dixon and Son (Leeds). Dixon Holdings already for each preference share; £86.50
for each £100 nominal of 64 per cent loan stock; and £83.50 in banking services, has acquired this company.

[Leeds]. Dixon Holdings already owns all the ordinary shares of this company.

Pentos sells Marshall Morgan

which is already unconditional,

remains open. The balance will

BRASWAY/TOMKINS

Brasway has bought fixed and

current assets of Woden Steel and Fasteners, a subsidiary of

F. H. Tomkins, for £189,470 cash.

The purchase comprises part of the freehold premises at Woden

works, Wemsbury, and certain

plant, machinery and stocks re-lating to its steel department—

Brasway has also undertaken to

discharge certain liabilities of this side.

profits, amounting to £208,000

(£829,000), relate to the assets

Brasway intends to re-establish bright - bar manufacturing

business at the freehold premises

TARMAC/WITTER At the close of business on February 27, Tarmac Building Products, wholly-owned sub-

sidiary of Tarmac, has received acceptances to its offer for

No part of Tomkins' interim

be acquired compulsorily.

ings New company to be vehicle The Coopers buy more

Mr. and Mrs. Claude Cooper. was formed in 1934 as a banking defeated in their late bid to acquire control of Whitley Bay Entertainments, yesterday bought 15,000 more shares in the Entertainments, company at a cost of £45,000 to bring their stake up to around

BY H. C. SLEIGH
H. C. Sleigh UK, wholly owned
subsidiary of H. C. Sleigh of
Melbourne, Australia, has made 8 per cent. Granada, the television and leisure group, has already won an offer to acquire for £580,000 control of the north-eastern the entire capital and loan stock amusement park company, but of R. H. Thompson Group. The the Coopers have stated their offer is conditional upon receiving 90 per cent acceptance from Thompson shareholders. determination to acquire a substantial minority stake.

UNITED MOTION

PICTURES (LONDON) Mr. John Wright, a Norwich businessman whose interests include banking and financial services, has acquired the capital of United Motion Pictures (Lon-don) for an undisclosed cash

The company, established in 1934, is one of the leading makers of documentary films and provides extensive production facilities for independent film producers. Turnover for the year to end-December, 1980, Turnover for

SHAWLANDS BUYS

SELDOWN SECS. Shawlands Securities, a sub sidiary of Frizzell Group, has acquired Seldown Securities of Poole, Dorset.

Seldown is finance house with strong local trader business principally in small unit hire purchase contracts, including cars, central

heating and furniture. Current balances outstanding exceed £275,000 and included in the consideration is the free-hold of the company's present Pentos, the industrial holding owns 3,395,296 (97.3 per cent) shares. Also, Mr. Philip Kaye company, has sold Marshall shares in the company. The offer, has sold his total interest of

SMITH WHITWORTH

The litigation by Vickers against Smith Whilworth in respect of the sale of Roevac Automation has been concluded. The Canadian Foreign Invest-Vickers had submitted total claims in excess of £40,000 relating solely to a shortfall in the net asset position as warranted at completion.

In addition this protracted litigation will result in Smith Whitworth having to meet unrecoverable costs estimated at some £70.000.

Prior to the action a sum in excess of the final settlement figure was paid into court and the majority of costs had been paid or budgeted for. Smith Whitworth's directors are satisare in engineering, textiles and fied that there will be no material effect upon the future liquidity or earnings of the

SHARE STAKES

had not tangible assets of £598,000, Pre-tax profits for the year were £259,000. For the first Associated British Engineering: London Trust has purchased 150,000 shares making holding six months of current year its 1m (8.97 per cent). profits have fallen steeply as a

result of the difficult trading ment Trust: Commodity Analysis reducing interest to below 5 per

As part of the arrangements a dividend of £450,000 cash was Vantona Group: J. I. Menaged, director, has sold 50,000 shares leaving holding 1,221,140 (5.7 per paid by LCA to Syltone. A consideration of £50,000 payable in cash on completion by Wolseley-Hughes for the whole of the share capital of LCA will bring the total cash inflow to Syltone to £500,000, which will be used Pilkington Brothers:

Pilkington Brothers: Dr.
L. H. A. Pilkington, director, has
disposed of 68,550 shares—non
beneficial—leaving interest
3,786,074 (2.26 per cent).
Crescent Japan Investment
Trust: Union Assurance has disposed of 500,000 ordinary shares
leaving the total interest 7.9
per cent. LCA distributes a wide range of plastic pipe and hose systems for water treatment, sewage and effluent handling, oil, petro-chemicals, foodstuffs and the

JOHNSON MATTHEY

Johson Matthey has acquired from the receiver of Burrell and Co. the assets of its Stockport Albert Fisher Group has acquired from Harry Yearsley the fresh fruit and vegetable business operating at New Smithfield Market, Openshaw, Manchester, and Millwall factories and has formed a new company to operate these assets, Blythe Burrell Colours, which will be intefor £50,000.

The acquisition, based on anticipated profit of £12,500 per annum will benefit Fisher in grated within the colour division

of the group.

Production will recommence at both factories, Sales and admini-stration will be based at Stock-port with a London-based sales office operating from the Millwall

A Strengthened Financial Position

Net current assets improve from £378,000 to £1,683,000.

The net increase in Reserves of £1,859,000 gives the Group a stability which

it requires in these difficult days and which it has lacked for many years."-

Ordinary dividend maintained.

Turnover up by more than 25%.

Sir Monty Finniston, Chairman.

Earnings per Ordinary Share:

Dividends per share.

Before Extraordinary items

After Extraordinary Items

Summary of Results

Profit attributable to Ordinary Shareholders

The company's Austral General Meeting will be hold at The Charchill Pertuan Semin, Condon 1971 II OAJ at 12 Noon on Wed.

Current order book of £175 million.

Prince of Wales Hotels in £955,000 purchase

Prince of Wales Hotels has on December 24, 1980 at £1.6m, entered into a conditional con-including fixtures and fittings. The purchase is to be satisfied as to £617,500 by the allotment tract to acquire Variety Inns for a sum of £955,000. Variety Inns operates one to the vendors of 950,000 new hotel in Bristol and another in Ordinary shares (representing 19 Camberley. It also holds 75 per cent of the enlarged capital). E104,500 in cash and the balance

cent of Martins Taverns, which operates a premises in Chelten-bam. These three properties, all of £233,000 by three loan notes, which are guaranteed by County Bank and are interest-free and of which are leasehold, were valued on an open market basis redeemable at par on September The recent trading record of Variety Inns and Martins Taverns indicates that, following substan-Drake & Scull Holdings Limited tial savings in administration expenses and directors remu-

Year ended

1979

£000 73,062

2,631

6.7p

8.30

31st October

Year ended

1980

£000

2,169

6.2p

13.8p

94,701

31st October

expected to contribute significantly to the group's earnings, the board states. Also, the strong cash inflow which Variety Inns earns in the winter will complement the group's traditional pattern

cash flow.

neration, the acquisition can be

SPAIN 290 326 270 274 126 141 334 189 317 233 127 February 27 Banco Bilbao Banco Central Banco Exterior Banco Madrid . Banco Zaragoza

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ship with a California venture capital company called the STI Venture Fund, with the object of identifying and facilitating investment by TDC in situations which will result in technology transfer and new business initiatives for the UK.	Thomas Witter in respect of 8,591,722 new ordinary shares and 8,591,722 deferred shares, representing 97-63 per cent of Witter's issued capital. The offer remains open.
NESCO/COLMORE Pursuant to the increased offer by Nesco Investments, for Colmore Investments, Nesco now	Mr. Reginal Kaye has sold his total interest in M. F. North amounting to 1,293,750 ordinary
BASE LEND	ING RATES
A.B.N. Bank 14 %	■ Hambros Bank 14 %
Allied Irish Bank 14 %	■ Hill, Samuel
American Express Bk. 14 %	C. Hoare & Co
Amro-Bank 14 %	Hongkong & Shanghai 14 %
Henry Ansbacher 14 % AP Bank Ltd 14 %	Keyser Ullmann 14 % Knowsley & Co. Ltd 16 %
AP Bank Ltd	Langris Trust Ltd 14 %
Arbuthnot Latham 14 %	Ylande Rank 14 02
Associates Cap. Corp. 14 %	Edward Manson & Co. 15 %
Banco de Bilbao 14 % BCCI	Lloyds Bank 14 % Edward Manson & Co. 15 % Midland Bank 14 % Samuel Montagu 14 %
Pank of Cuning 14 %	Samuel Montagu 14 %
Pork of NSW	■ Morgan Grenfell 14 % National Westminster 14 %
Banque Belge Ltd 14 %	National Westminster 14 %
Rengue du Rhone et de	Norwich General Trust 14 % P. S. Refson & Co 14 %
la Tamise S.A 14196	P. S. Reison & Co 14 %
Rerelave Bank 14 %	Rossminster 14 %
Beneficial Trust Ltd 15 % Bremer Holdings Ltd. 15 %	Ryl Bk Canada (Ldn.) 14 %
Bremar Holdings Ltd. 15 %	Slavenburg's Bank 14 % E. S. Schwab 14 % Standard Chartered
Brit. Bank of Mid. East 14 %.	E. S. Schwad 12 36
■ Brown Shipley 14 %	Trade Dev. Bank 14 %
Canada Perma Trust 10.%	Trustee Savings Bank 14 %
Cayzer Ltd. 14 % Cedar Holdings 14 %	Twentieth Century Bk. 14 %
E Charterhouse Japhet 14 %	Twentieth Century Bk. 14 % United Bank of Kuwait 14 %
Charlestons 14 %	Whiteaway Laidlaw 1478 Williams & Glyn's 1478
Choulartons 14 % C. E. Coates 14 %	Williams & Glyn's 14 %
Consolidated Oredits 14 %	WINITUST Secs. Div 12 70
Consolidated Credits 14 % Co-operative Bank 14 %	Yorkshire Bank 14 %
Corinthian Secs 14 %	Members of the Accepting Houses
Corinthian Secs 14 % The Cyprus Popular Bk. 14 %	Committee.
I Thinean Lawrie 14 %	
Eagil Trust 14 %	174%, Short will reporte
Eagil Trust	months 13.35%
First Nat. Fin. Corp 164% First Nat. Secs. Ltd 16 %	†. 7-day deposits on sums of £10,000
First Nat. Secs. Ltd 18 %	17-day deposits in solits of 170-day of 112-3, up to £50,000 12%, and over £50,000 122%.
Robert Fraser 14 %	12%, and over the control of the
Antony Gibbs 14 %	t Call deposits 11.000 and over
Robert Fraser 14 % Antony Gibbs 14 % Greybound Guaranty 14 % Grindlays Bank 114 %	E 7-view denosits 12%.
Grindlays Bank	S Domand deposits 12%.
Gironess Mahon114 %	21-day deposits over £1.000 13%.

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Invergordon slips 190

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in second half IN THE second half, Invergordon demand for whisky fillings Distillers (Holdings), slipped back with a pre-tax surplus of which contributes about 60 per cent of its earnings, by added sales of neutral spirit for gin £2.26m against £2.32m, but finished the December 31, 1980 and vodka manufacturers.
Volume of its own blend sales. year just ahead with a taxable profit of £4.37m compared with most of which are exported to Europe, has been slightly reduced and margins are under Reporting a 14 per cent rise in first half profit, the directors said it was unlikely that full year results would maintain this level of increase. growing pressure with the strength of sterling, particularly against the lira. The coming, year is likely to look less cheer year is likely to look less cheerful with Invergordon's uninterrupted 13-year growth pattern in jeopardy. At 165p the shares yield around 3.5 persecut and the p/e, fully-taxed, is just above 15—reflecting speculation over its future within the Hawker Siddeley grouping. Turnover for the full period was little changed at £24.64m (£24.36m) and from earnings

AIR FREIGHT LIQUIDATION

At meetings of creditors, accountant Mr. Peter Copp of Stoy Hayward and Partners was appointed liquidator of Skyways' Aviation and its parent company, Air Freight, which ceased opera-tions last October.

The meetings were told that the group had been a victim of

Drayton Commercial expanding overseas

being largely directed towards the North American market, Drayton Commercial Investment Company intends to increase its overseas portfolio over the medium term, from the current level of some 35 per cent to over 50 per cent, Mr. David Stevens. chairman, tells shareholders in his annual review. And he says that barring un-

(£24.36m) and from earnings per 25p share of 20.17p (19.28p) the dividend is unchanged at 4p net with a final of 2.5p (same). Pre-tax surplus was struck after interest, up from £907,000 to £1.14m and was subject to tax of £436,000 (£416,000), leaving a net profit of £3.93m (£3.76m). On a CCA basis, the pre-tax figure is reduced to £2.77m, against £2.33m.

Invergorden has done well to turn in a 4.6 per cent rise in pre-tax profits at a time when most of the drinks industry is suffering from the recession.

The company has been protected from the general cut-back in

comment

foreseen circumstances he is confident there will be a further increase in the level of dividends paid in the current year. As reported on February 13.

the distribution for 1980 was lifted 1p to 7p with a 5p final, and pre-tax revenue advanced by

£632,000 to £3.41m.
Although the immediate outlook for the U.S. market is. uncertain, it is believed that the new administration will adopt a

the investment markets.
"I must point out that an increased investment in the North American market may have some adverse effect on the revenue position . . . but it is not considered that this will be too material in the coming year, Mr. Stevens states.

A further reduction is intended

in the holdings of British Government fixed interest securities during 1981, but the favourable outlook for the Far East justifies the current weighing in this area, particularly as the outlook for the yen currency rate, compared to sterling, appears encouraging on a medium term view.

view.

A classification of investments at valuation shows, in percentage terms, as at December 31: UK 46.05 (53.25), Japan and Far East 15.23 (10.65), and North America

more positive attitude to the 9.34 (7.87).
corporate sector, the chairman Meeting, 117 Old Broad Street, says, which will be of benefit to EC, on March 23 at 2.30 pm.

Hill & Smith slows

A TEMPORARY check to the and Pensuet will be vacated growth pattern of Hill and Smith The movements have by is probable in the current year, planned to ensure no reduct Denis Hodgets, chairman, tells shareholders in his annual future expansion of both divivirence. He adds, however, that signal activities in mind. The the company is on a very sound substantial savings which will be: base and, given more normal made are expected to become trading conditions, the directors fully effective late in the current an look forward the group's record of progress

next year. pre-tax profits for the September 30 year expanded to a record £1.13m (£880,138), and the dividend is lifted from an equivalent 3.18p to 3.5p net. A one-for-ten

scrip issue is also proposed.

The directors then said that profits for the first half of the current year would be at a reduced level, and that any significant improvement in the second six months would be dependent on an anticipated recovery in the general level of demand.

Reorganisation is in progress in the forging and fabrication divisions. Mr. Hodgetts states, and when completed in the middle of this year, will allow freehold premises at Lye and at Wolverhampton to be sold or let. And leased premises at Lye

in effective capacity and with : year, the chairman states. Possible acquisitions next year. always under review — British —
As reported on January 30, and Midland Stampings was

The movements have been planned to ensure no reduction:

acquired on March 20, 1980 and opportunities are increasing as a result of the depression, Mr. Hodgetts says. "Our strong cash position,

together with the further facilities arranged with our principal bankers, enables us to take advantage of suitable opportunities as they arise and I hope we can make further progress in this area in the near future." Balance sheet shows shere

holders' funds of £7.09m (£6.43m), bank and cash £874,180 (£224,326), and bank overdrafts (secured) of £249,553 (nil). Mr. Hodgetts succeeded Mr. T. Hampson Silk, who died last September. Meeting, Edgbaston, Birming.

ham, on March 27, at noon,

APPOINTMENTS

Director of parts sales at Ford

director, part sales, FORD OF BRITAIN. His appointment follows a special three-year assignment in continental responsible for the expansion of the company's parts business, particularly the Motorcraft "all makes" parts range, in 13 European countries.

Aged 47, Mr. Jones takes over responsibility for Ford's largest national parts market outside North America, and for export markets involving shipments to five continents. He will also control sales of Ford industrial products to original equipment

Mr. Ian McAllister, who is 37, has been in charge of parts sales since June 1980 and now moves to a senior marketing position at Ford's European parts head-quarters in Cologne, West Germany.

Mr. Duncan A. Ross has been appointed chairman of the SOUTH WALES ELECTRICITY BOARD for five years from May . 1981. He succeeds Mr. R. Cook, who retires from that post at the end of April. Mr. John M. Griffiths has become a part-time member of the MERSEYSIDE AND NORTH WALES ELEC-TRICITY BOARD until January 8, 1984, and Mr. Anthony G. Stoughton-Harris has been made a part-time member of the SOUTHERN ELECTRICITY BOARD for three years from

The Secretary for Employment has appointed Mr. M. W. managing director, Process Induslits-Tucker as chairman of the lry Products. Pitts-Tucker as chairman of the MAN-MADE FIBRES PRODUC-ING INDUSTRY: TRAINING

February 1, 1981,

having been chairman for the past six months. Mr. Pitter Tucker recently retired from Courtaulds, where he had been head of group management careers department.

Sir John Stewart-Clark and Mr. E. H. Garside have seed appointed additional non-executive directors of CAPSEALS. Mr. R. H. Howell is the new

Chairman of LIVERPOOL BUILDING SOCIETY following the retirement of Mr. S. R. Pope. He is senior partner in a firm of Liverpool solicitors, joined the Board of Liverpool Building Society in 1968, and has: been vice-chairman since 1974. Succeeding Mr. Howell as vice chairman is Mr. Eric F. Cockeram He is chairman of Watson Prickard, a director of The Trustee Savings Bank (Mit West) and has been a director of Liverpool Building Society since 1975. He is MP for Ludlow.

HAYWARD TYLER, Lifton has appointed three managing: directors to head the company's' three industry product groups. Mr. Norman Boyd has been appointed managing director. Power Industry Products, with headquarters at the Luton plant He will also become a director of Hayward Tyler Inc. in Norwalk, Connecticut, U.S. Mr. Jo Knoors is managing director. Water Industry Products, based in Holland at Hayward Tyler's sister company Melotte b.v. Mr.

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Mr. F. R. Elton Jones has been appointed finance director of Yeomans, who is retiring after JPM (AUTOMATIC MACHINES).

The peed which are experienced which are experienced with the peed of the peed

nd margini and he was a long less than the l

Company of the second

Property Couples

REIGHT

IDATION

Personal Control of the Control of t

- ::2

alf NZ gold deposit shows promise

for whisky arributes about the earnings, by neutral spirit a manned. THE EXTENSIVE exploration Hill gold joint venture on New local companies, Green and programme Amax of the U.S. Zealand's North Island have McCahill Mining and Mineral (NY) in which the programme Amax of the U.S. embarked on in the Pacific Basin in 1979 is beginning to look as if it could pay off in a big way. Following the recent upgrading of ore reserves at the Gossan Hill deposit of the rich base metal prospect at Golden Grove, in Western Australia, comes encouraging news on the preclous metals front from New

encountered some reasonably high-grade gold and silver mineralisation.

The Martha deposit has a long history, and was mined from the late 1870s right up to the 1950s, producing some U.S.\$360m-worth of gold in that time.

Amex Exploration Zealand) is manager of a joint venture at the deposit, and has Precious metals, especially venture at the deposit, and has gold, were intended to be the an 80 per cent interest. The other participants, sharing the remaining 20 per cent, are both

Resources (NZ), in which the Australian junior exploration company Ottar Exploration has Australian . a 35 per cent stake.

Of the seven diamond drill holes for which assay results have so far been reported, gold grades range between a low of gramme per tonne and a high of 4.2 grammes, while silver grades range between 8 and 37

The companies said yesterday vigorous"

programme is being maintained, with two diamond drills on the property currently drilling holes

They added that while the assay results may be considered encouraging, the evaluation prostage and speculation as to the viability of the project is pre-

Amax has spent some A\$2m (£1m) on behalf of the joint venture by December 31, and id yesterday expects to spend a further exploration A\$1m by April 30 of this year.

gramme is still at a very early mature.

OIL AND GAS NEWS

Sharp rise in full-year profits at Santos

NET PROFITS of Australia's Santos, the leading member of the Cooper Basin gas producing consortium, rose 58 percent to ASS.8m in 1980. In 1979 Christian Cooks of the first transfer to the first transfer to the first transfer to the first transfer to the first transfer transfer to the first transfer Santos made net profits of

Earnings per share increased No. 1 is being met as to 93 per to 19.2 cents from 12.1 cents. cent by South Australian Oil and The final dividend is being Gas and 7 per cent by Vamgas. increased to 10 cents from 7.5

The new shares arising from the two-for-one scrip issue announced on January 20 will not rank for the 1980 dividend.

The Mudera No. 1 well drilled 35 km east of Moomba in Australia's Cooper Basin has

7,000 feet, according to Santos, companies surveying 105,680 which has a 35 per cent interest square km off the Chinese coast in the well. Mudera No. 1 is will report their data to the currently at 7,007 feet and has Chinese Government by July 1. .a target depth of 7,650 feet.

March 26th in London.

miss him very much.

Company's ordinary shares.

THE UNITED STATES AND GENERAL

TRUST CORPORATION, LIMITED

States and General Trust Corporation Limited will be held on

His final year was a profitable one for the company's shareholders — remarkably so in the circumstances of the world economy. Against a background of deepening recession,

worsening unemployment, spiralling interest rates and high inflation, investors appear to have decided that equity investment offered the best hope of maintaining real value. Among the stockmarkets of any size, only that of Belgium failed to show a positive overall return in local currency terms. For a

UK investor, however, the strength of sterling reduced returns from all overseas markets except Japan and, in particular, made investment in Continental Europe generally unattractive.

In these circumstances your Board have continued to invest the bulk of the company's assets in the UK and the rise of

32.9 per cent in net asset value per share compared favourably with the major indices: the FT Actuaries All Share Index rose by 27.1 per cent, while the Standard and Poor's Composite

Index in the USA and the Tokyo New Stock Exchange Index in

investment trust companies wholly from corporation tax on capital gains from 1st April, 1980, was welcome. By encourag-ing more active investment policies, and by making the shares more attractive to tax-free institutions, it has been one of the

forces behind the reduction of the average discount on investment trust asset values from 33 per cent to 25 per cent during 1980; this improvement was reflected in the price of the

ever, your Board see no reason at present why the current dividend should not be maintained.

Growth of income has been better than expected. Excluding from the 1979 figures the large non-recurring dividends which were passed on to shareholders as a special payment of 1.68p per share in November, 1979, net revenue available for ordinary shareholders rose by almost 19 per cent in 1980. This enables your Board to recommend a final dividend of 6.50p per share, making 10.50p for the year, which is slightly greater than the total amount of 10.29p per share received by shareholders in 1979, including the special payment, and an increase of 22 per cent in the normal dividend. The prospects for an increased income in 1981 cannot be said to be encouraging, particularly in the UK; and any change in our investment policy aimed at raising the overseas percentage of the portfolio could reduce the overall yield. How-

The decision by the Chancellor of the Exchequer to exempt

Japan each rose by 17.0 per cent in sterling terms.

The Ninety-first Annual General Meeting of the United

The following is comment by the Chairman, Mr. C. K. R Numeley, included in the Report of the Directors which has been circulated to Shareholders: The retirement of Bill Merton on 31st December, 1980 after four years as Chairman, leaves a gap which will indeed be difficult to fill. His knowledge, charm and courtesy have been of the greatest value to his colleagues and we will all

A number of major oil discoveries off the coast of China are likely by late 1982 or early 1983, according to Mr. Anthony Reid, Exploration Manager of America's Conoco. Speaking at a meeting of the American Institute of Mining Engineers Mr. Reid said negotia -flowed natural gas at the rate tions on concessions are expected to begin later this year with the flow followed a drill stem exploration to start in early test over the interval 6,882 to 1982. Eight international columns

Sea appears to have the greatest potential for development.

The Canadian-registered oil and gas exploration group British Canadian Resources says that in view of the "continuing conflicts in Canada between the various levels of government, the board of directors have concluded that the company now has adequate exposure in Canada and that remaining funds should be invested in the U.S."

This should result in approximately 75 per cent of the com-pany's total funds available this year being spent in the U.S. and

In December, last year, British Canadian raised C\$30m in Europe of 3m common shares. The shares Exchange and are traded in London under Rule 163 (1) (e).

British Canadian and its U.S. subsidiary, British American limited partnerships and joint ventures with four North American oil and gas exploration and production companies. These are: Woods Petroleum of Oklahoma, Orion Petroleum of Dallas, Westgrowth Petroleums and Land-

Cockburn Cement down

Trading surplus of Cockburn Cement, an 85 per cent owned Australian subsidiary of Rugby Portland Cement, was unchanged at \$7.72m for 1980, but after higher interest and depreciation, pre-tax profits fell from \$4.23m to \$2.33m. Turnover rose by over \$3m to \$32.5m.

Interest took \$2.47m (1.32m) and depreciation \$2.93m (2.16m). However no tax is payable (\$23.000) due to investment allowances brought forward

A same again final dividend of 4.75 cents maintains the total at 7 cents per share.

Deliveries of lime did not re cover the tonnage lost during Alcoa's mid-year strike, while the level of activity in the building and construction industry remained dull in the second half and profits margins on cement

were reduced. However, the outlook for 1981 is more encouraging. Recent building approvals show an increase over last year and the company is also extending its market for cement through a five-year agreement commencing in July to supply Northern Cement Pty. for the Darwin

LONDON TRADED OPTIONS

Aprii

(Mar. 2 Total contracts 720)

July

П	Option -	price	offer	Yol.	offer	Yol.	offer	Vol.	close
	BP BP BP Corn. Union Corn. Union Cons. Gold Cons. Gold Cons. Gold Cons. Gold Cons. Gold Courtaulds Courtaulds Courtaulds Courtaulds	420 500 140 160 180 480 488 500 550 638 638 60 70 550	38 20 11 ₂ 21 7 1 40 9 - - 2 5 11 ₂ 2 5 105 58 23	15 30 25 7 —	50 36 11 25 11 5 5 10 2 7 31 ₂ 123 87 51	5	64 48 31 14 65 28 10 912 412 145 112	5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	412p 157p 431p "" 61p 648p
	Grand Met. Grand Met. ICI ICI ICI ICI ICI ICI ICI ICI ICI IC	160 180 340 260 280 300 350 420 420 420 460	28 10 22 12 6 21 2 3 4 8 8 26	I —	32 161 ₂ 32 22 14 7 4 2 20 131 ₂ 38 22	2 15 8 4 2 5 2 2 46 ust	37 21 40 30 28 14 31 19 54 34	9 4	182p 250p 250p
	Imperial Gp. Lasmo Lasmo Lasmo Lonrho Lonrho Lonrho Lonrho Lonrho P. & O. P. & O. P. & O. Racal Elec. RTZ RTZ Totals	70 550 750 750 90 100 110 120 110 130 360 390 414 454 460	99 57 57 15 15 21 12 22 14 12 22 22 15 —	205 1 1 3 80 20 20 20 1 1	90 60 37 18 11 7 4 25 17 10 45 26		1311 107 80 	5	75p 844p "" 98p" "" 128p" "" 367p" 421p"

These securities having been sold, this announcement appears as a matter of record only.



Sanchez-O'Brien Oil & Gas Corporation

Sanchez-O'Brien 1980-A Drilling Company Sanchez-O'Brien 1980-A-1 Drilling Company

(Texas Limited Partnerships)

Merrill Lynch White Weld Capital Markets Group

Metrill Lynch, Pierce, Ferner & Smith Incorporated

Scan Data rises to £296,000

Data International, the west Sussex computing services group, rose in the year to end-November, 1980, from £175,000 to £296,000 but, as forecast, there is no dividend. Sales for the period improved by £678,000 to £2.53m.

Some 400,000 of - the pany's shares, 17.8 per cent, were placed in November last year at 125p per share and the directors forecast that profits for the current year would be "not less than £250,000." A dividend of 2p for 1981 was also foreshadowed.

The surplus this time was struck after extraordinary debits of £30,000 (£13,000) but was sub-Ject to tax of £15,000 (£26,000). Stated earnings per share before extraordinary items were 12.14p (6.48p).

£1.2m CCA loss by AF

HAD THE principles of SSAP 16 vision has been made in respect would be unrealistic to expect been used, results of Associated of further re-organisation examples any significant improvement in Fisheries for the year ended September 30, 1980 would have September. shown a CCA loss before tax of £1.21m, compared with a historical profit of £5,000, the

As reported February 20, the 1979-80 results were hit by heavy losses in the second half from trawling and fish processing. With net interest expenditure up considerably, pre-tax profits showed a slump from the previous year's £2.19m. The dividend, however, is maintained at 1p net per share.

group's annual report and

accounts reveal.

Effective action has been taken to reduce the group's future in the 1980-81 balance sheet. exposure in major-loss making areas. This has involved the closure or disposal of certain subsidiaries, the adoption of restricted stock levels and redun-dancies of 667 employees at a to £20,43m. cost of £664,000.

penses implemented since last

Mr. H. K. Fitzgerald, the chairman, says good progress was made last year towards priority financial objectives; in terms of improved liquidity by way of a reduction of over £1m in shortterm borrowings, and the group has thus emerged in a stronger

Since the year end, the group has purchased the 26 per cent holding by outside holders in the equity of British United Trawlers and this company has now become a wholly-owned sub-sidiary. This will be reflected

financial position.

cost of £664,000.

On prospects, the chairman tor.

Total expenditure has been says that while the economy Meeting, St. Ermin's Hotel, charged in the accounts and progenerally remains in recession it SW, March 26, noon.

any significant improvement in trading conditions in the short term. The first four months of

the current year have been profitable for the group, but he feels it too early to make any forecasts, especially in view of uncertainties overhanging its fishing interests. "As a group we can best live

with this situation by adhering closely to our conservative financial policy, and by upgrading the competitive marketing of our products and the efficiency of our service companies," he states.

On the difficulties of the fishing industry, Mr. Fitzgerald says that although some temporary financial aid was received in the Total loans at balance date year from Government, timely were unchanged at £4.88m, but subsidisation on a much larger included £817,000 for the lease scale will be necessary in 1981 purchase of transport. Share-holders' funds rose from £19.99m that a payment of £16,000 was made last year to a former direc-

Preliminary Results from Royal Insurance

PRELIMINARY RESULTS FOR 1980

The profit before taxation was £122.5m (1979 £131.5m). This compares with the forecast of £120m made last December at the time of the rights issue. Net profit attributable to stockholders was £70.2m. The comparative figure for 1979 is £73.8m being the net profit before the addition of the special long-term insurance profit item relating to 1975/78. As forecast at the time of the rights issue, the recommended final dividend is 14.75p per 25p unit of stock making a total for the year of 24.0p (1979 21.5p)—an increase of 11.6 per cent.

The audited accounts are due to be published on 21st April 1981. Preliminary unaudited figures for the year 1980, with the comparable figures for the year 1979, are as follows:-

	fear 1980 £m	fear 1571
General Insurance:	XIII	¥ш
Premiums Written	1,241.6	1,225.1
Underwriting Result	<u>-40.4</u>	-16.5
Investment Income	146.7	133.0
Long-term insurance profits	10.0	7.7
Share of Associated Companies' profit	6.2	· 7.3
Profit before taxation	122.5	131.5
Less: Taxation	51.5	56.8
Minority interests	0.8	. 0.9
Net profit after taxation and minorities	70.2	73.8
Balance after tax of stockholders' long-term insurance profits 1975/78	· - -	7.2
Net profit attributable to the stockholders	70.2	81.0
(pence per unit)	(46.6p)	(53.9p)
Dividends for the year	41.7	32.4
(pence per unit)	(24.0p)	(21.5p)
Transfer to retained profits	28.5	48.6

In the above figures, foreign currency has been translated according to our normal practice at approximately the average rates of exchange ruling during the period. The principal rates were:— 32,49 Canada \$2.72

Netherlands Fis4.63 F154.26 \$2.04 \$1.90 Premiums written in 1980 have been depressed in sterling terms in comparison with 1979 due to movements in

exchange rates. The underlying premium growth was 8 per cent. The effect of changes in exchange rates in the comparison of the year's results was to depress the profit before taxation by £5.3m: the underwriting result benefited by £4.3m, but the investment income was adversely affected by £9.6m. The underlying growth in investment income was 17.6 per cent.

ERWRITING RESULTS	Year 1980	Year 1979
	£m	£m
USA	-16.1	~ 8.2
UK and Irish Republic	10.4	5.6
Cavada	-24.1	-14.9
Netherlands	4.3	. 5.1
Australia	- 8.5	- 4.0
Other Overseas	- 6.4	- 0.1
•	-40.4	- 16.5

In the United States our very important commercial multi-peril business again produced a profit, though considerably lower than in 1979. In all other major lines there were losses, in most cases larger than in 1979. Workers' compensation and personal motor business, however, showed reduced los

In the United Kingdom there was again a satisfactory underwriting result. Almost all major lines of business were profitable. Property results benefited from the generally favourable weather conditions and the reduction in the industrial fire damage costs in the second half of the year. The liability underwriting experience was adversely affected by the substantial increase in average claims costs.

In Canada as a result of the very difficult market conditions obtaining throughout the year, brought about by intense competition and the consequent absence of rate increases, all major lines with the exception of liability made

In the Netherlands the satisfactory result for the year was due to the continued profitability of the large motor account. There were underwriting losses on most other lines. In Australia market conditions remained difficult and there were heavy underwriting losses in most major lines

with a particularly marked deterioration in workers' compensation. In Other Overseas the sharply increased underwriting loss reflects the worsening market conditions in many of the countries in which we operate. There was a breakeven result on overseas business written in the United Kingdom. The operating ratios for the USA on the US statutory basis are:—

	Year 1980	Year 1979
Claims as % of earned premiums	69.0	68.3
Expenses as % of written premiums	33.4	32.5
N.		
•	102.4	. 100.8
• •		

FINAL DIVIDEND

The directors propose to recommend to the stockholders that at the annual general meeting, to be held on 14th May 1981, a final dividend be declared of 14.75p per 25p unit of stock to be paid on 22nd May 1981. This dividend will be payable on the capital as increased by the rights issue to stockholders registered at the close of business on 24th April 1981. This, together with the interim dividend of 9.25p already paid, will make a total distribution of 24.0p per unit of stock for the year 1980 compared with 21.5p for 1979. With the addition of stockholders' tax credit the equivalent "gross" dividend for the year at the current rate of tax is 34.29p.



BRAZIL

BORROWER PROFILE

Brasilia wins bankers' hearts

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

prevailing six months ago, the banking community has undergone a change of heart about Then, talk of crisis abounded as the supply of foreign loans dwindled almost

been flowing steadily into the with \$1,2hn in 1980, and an coffers of the central bank in unchanged \$3bn in export Brasilia.

In marked contrast to 1980, when Brazil waited until March before starting to raise funds in the Euromarket, foreign loans raised in January this year amounted to \$1.4bn.

The figure includes largely unreported borrowings raised under the central bank's Resolution 63, setting out the conditions whereby commercial banks may borrow abroad for on-lending to their domestic customers.

These credits were flowing in at a daily average rate of \$15m in January. In February, the pace doubled to a daily average of \$30m, although the total amount raised abroad last month is still not known.

With \$1.3bn of undrawn commitments left over from 1980. Brazil had covered \$2.7bn of its 1981 needs by the end of January, a figure which represents some 20 per cent of its own estimate of its total requirement from financial markets in

But a major question remains as to whether the funds will For its part, Brazil exudes satisfaction with its own prospects in a booklet now being circulated to international banks by the country's National Monetary

Key projections from the booklet are presented in the chart attached. Broadly speaking, it concludes that Brazil can

Bond ahead in takeover battle By James Forth in Sydney

MR. ALAN BOND, the Western Australian businessman, has pulled well ahead in the battle for control of Waltons, the Australian retailing group. Bond Corporation obtained an option for 5m Waltons con-

shares, would lift Bond's stake another 8.95 per cent to 42.4 per cent. This places it well ahead of its rival, the Liberman family of Melbourne who hold just under 20 per cent. Bond is offering A\$1.10, valuing Waltons at A\$50m (US\$58m), and the

per cent of the capital has

changed hands above Bond

COMPARED WITH the mood raise all the money it needs this stocks, should reduce import more funds available but when year without needing to reduce volume to 750,000 barrels a day its reserves of \$6.9bn.

A total requirement of \$18bn to \$20bn is to be met through financial market borrowings of \$13bn to \$15bn. The remaining Since the start of this year, \$5bn will come from net direct however, foreign currency has investments of \$2bn, compared

from 929,000 last year. But these estimates are all based on total energy consumption levels tend to have second thoughts. equivalent to 1.07m barrels per

This is the same amount as last year and it will come at a time when economic growth is expected to decelerate unly slightly to around 6 per cent

KEY BRAZILIAN STATISTICS

· · · · · · · · · · · · · · · · · · ·	1980	1981 (projected)
	\$. \$
Balance of trade	— 2.8Ъп	+ 1hn to 1hn
Current account deficit	12.1bn	' 10hn to 1bn
Foreign debt repayment	7bn	8bn
Interest on foreign debt	5.9hn	•
Borrowing .	70.15-	·13bn to 15bn
on financial markets abroad	12.1bn	
Total foreign debt at year end	54.4bn	60pm
Change in reserves	— 2.8bn	nil .
Deht service as a		

· Source: National Monetary Council, Brasilia.

sharply in 1981.

Implicit in the forecast is

therefore an assumption that

the ratio of oil consumption to

real output can be out quite

International bankers will be

watching closely to see whether

Brazil lives up to this and the

other targets set out in the booklet. If it does not, lenders

will almost certainly revert to the caution they displayed last

This is particularly true of

schedule for much of last year.

credits and other official forms from 8.5 per cent last year. of finance. A closer look at the figures

suggests that they rest on assumptions which, in today's uncertain economic and financial climate, could be considered highly uncertain. Brazil expects to be able to raise exports this year to between \$24bn and \$26bn from

the \$20.1bn of 1980. Imports are to be restrained to \$25bn, an advance of only \$2.1bn on last year's level, in a year when the average cost of imported oil is expected to rise to \$36 per barrel from \$29.44 in 1980. Substitution of domestically produced energy for imported oil, together with drawing on

the flow falters even those lenders which have been ready to increase their commitments

But for the time being Brazil is riding high, not so much because of expectations (still unconfirmed) that it will shortly. seek a loan from the International Monetary Fund in support of an official stabilisation programme, but rather because the price it is now preared to pay on its loans is one that the market will accept.

Typical spreads on a Brazilian public sector credit now range from 2 per cent over U.S. prime rate to 21 per cent over London inter bank offered rate (Libor). Resolution 63 loans pay margin of 21 per cent.

There is no doubt that such yields are increasingly attrac-tive when borrowers in industrial countries are still paying much less than 1 per cent for theeir credits. Banks which last year saw a large proportion of the older high margin credits on their books mature are only too glad of the chance to boost their credits. Banks which last high yielding Brazilian assets.

This is not to say there has been a rush into Brazilian paper: lending , has simply resumed at a discreet and steady pace.

Brazil seems aware of the fragility of its situation. In an effort to support the flow of foreign funds it is now insisting that virtually all its non-oil imports be financed with credits rather than paid for in cash.

The accompaniment of export the borrowing programme it-self, which ran heavily behind orders from Brazil with large financial credits, now clearly established in the case of For a borrower on the scale of France's trade relations with Brazil, a steady flow of loans Brazil, seems set to proliferate encourages lenders to make

INTERNATIONAL CAPITAL MARKETS

Bonds decline in thin trading

BY FRANCIS GHILES

preference shares yesterday but trading remained which, if converted to ordinary thin, particularly in the dollar sector. The strength of the U.S. currency against other currencies and a rise in U.S. interest rates did little to entice investors into the market either as buyers or sellers.

The great attraction offered Libermans A\$1.00 a share. But by high coupons, especially for buyers have been operating at private investors, is underlined by the vield available on the 16 per cent Ford Credit bond to 1984, which is 14.93 per cent. That is slightly

14j per cent Ford Credit bond rowers. German dealers yester-to 1984. But whereas the 16 day were forecasting that a cent Ford bonds are believed to be held mostly by private investors in Germany, the Benelux and Switzerland, the 14% per cent issue probably lies with large institutions.

In Germany, foreign Deutsche-

PRICES DECLINED on a broad more than 100 basis points limited to one, possibly two, frout in the Eurobond market below the yield available on the issues for supranational borcoupon of more than 11 per cent might have to be paid by such horrowers, a seven, year record for good quality names. The upward move in Swiss

franc time deposit rates and the rise in Euro-Swiss franc in-Mark bond prices declined 1 of terest rates hurt Swiss franc a point. All eyes will furn today foreign bonds yesterday as to the Capital Markets Sub-much as the weakness of the Committee meeting which will currency against the dollar. issues for the month of March. the day with falls of up to 11 The calendar is expected to be points on certain issues.

This advertisement appears as a matter of record only.



Hidroeléctrica Española, S.A. U.S.\$200,000,000

Medium Term Loan

Banco Español de Crédito (Banesto) Banco Hispano Americano, S.A. Banque Bruxelles Lambert S.A.

Manufacturers Hanover Limited Banco de Vizcava Banque de la Société Financière Européenne SFE Group

National Westminster Bank Group Société Générale de Banque S.A.

The Nippon Credit Bank, Ltd. The Sumitomo Bank, Limited Toronto Dominion International Bank Limited

co-managed by

Banco Popular Español The Bank of Nova Scotia Group The Daiwa Bank, Limited The Mitsui Trust and Banking Company, Limited

provided by

Banco Español de Crédito (Banesto) Banque de la Société Financière Européenne SFE Group

Banque Bruxelles Lambert S.A. International Westminster Bank Limited

Manufacturers Hanover Trust Company. The Nippon Credit Bank, Ltd. Société Générale de Banque S.A. Toronto Dominion (United Kingdom) Limited Banco Hispano Americano, S.A.

Sumitomo Finance (Asia) Limited Banco de Vizcaya, S.A. Banco Popular Español

The Bank of Nova Scotia Channel Islands Limited The Daiwa Bank, Limited The Mitsui Trust and Banking Company, Limited Banco Intercontinental Español, S.A. (Bankinter) Banco Espirito Santo e Comercial de Lisboa London Branch Caja de Ahorros de Alicante y Murcia Banco Guipuzcoano, S.A. Banque Belge pour l'Industrie S.A. Banque Veuve Morin-Pons Caja de Ahorros y Monte de Piedad de Madrid (CajaMadrid) Crédit du Nord The Northern Trust Company

Banco Hispano Americano, S.A.

February, 1981



CAB move on merger proposals

By Jan Hargreaves in New York THE U.S. Civil Aeronautics Board yesterday tossed back to the market place the question of whether Continental Air Lines of Los Angeles should merge with Western Air Lines, or whether Continental might instead be snapped up by another party, probably Texas International Airlines.

The CAB yesterday approved the Continental-Western merger proposal, a long-sought union of equals, then sanctioned a second proposal which will have the virtually certain effect of preventing this merger. The second decision granted permission to Texas International, which runs regional airlines in both Texas and New York, to set up a voting trust for the 43m Continental Air Lines shares it had recently bought or had tendered to it under its \$13a-share offer. These shares amount to 42 per cent of Continental's common and could be supplemented to give Texas a 48.5 per cent share under the CAB ruling.

·As Texas says it will vote all these shares against the Continental-Western deal, that merger, as constituted, looks to have no chance of success. Shareholders of Continental and Western are due to vote on the proposal on March 12. Until then Continental is free

to improve the terms of its offer for Western, although it lacks the financial muscle for any con-

tracted bidding war. Yesterday's CAB decisions represent an attempt by the board to place the burden of merger decisions outside the realm of administrative interference to the maximum extent

Loss for AM International

By Our New York Staff

AM INTERNATIONAL, troubled office equipment com-pany which underwent a top level management upheaval last month, yesterday announced a loss of \$6.9m in its latest quarter ended January 31.

This compared with a small profit of \$262,000 in the same period a year ago. This brought AMI's six month loss to \$15.9m. compared to a loss of \$4m.

The loss was aggravated by technical changes in accounting procedures involving foreign subsidiaries. Pre-tax losses, it noted were \$10.9m in the first six months, a slight improvement on the previous year's \$11.9m.

A week ago, AMI's chairman and chief executive, Mr. Roy Ash was eased out and replaced headed the U.S. operations of Swiss Aluminium. The company also got a welcome capital injection from Madison Fund which agreed to buy nearly 1.5m shares for \$25.6m, with an option on another 1m.

The company has incurred huge outlays resulting from Mr. Ash's policy of pushing it aggressively into the high technology office equipment market.

AMERICAN QUARTERLIES

-			unhiesse
BANK OF MONTREAL		· ·	SNCF 124
		1979-80	SNCF 13
First quarter	Ct	CS	
Net profits	88 5m	62m	Sweden 1 Swed, Ex.
Net promis	1 59	1,27	Swed. Ex.
TOT POT BUILD TOTAL			Unitever N
BANK OF NOVA SCOT			World Bar
	1980-81	1979-80	World Bar
First quarter	CS	CS	Ave
Net profits	60.6m	49m	1
Net per share	1.31	1.05	DEUTSCH
BROWN-FOREMAN DIS	TILLERS		STRAIGHT
	1980-81	4670.00	Azian Dev
Third quarter	\$	(3/2-00	Australia
Pavanua	201 m	184m	Austria, R
Revenue	17.7m	13.7m	BFCE 84 9
Net per share	1.40	1.08	CFCA 7%
) V			Danmark
Revenue	585m	511m	Cil-Honeyo Denmark Eiß 81- 9 ESCOM 91
Net profits	51.4m	37.5m	ESCOM 93
Net per share	4.05	2.95	Iberduero
COCA-COLA BOTTLING	OF NY	,	Iberduero Ind. Bk. F
I	1980	1979	Japan Air
Fourth quarter	_	5	Japan Dev
Revenue	100.3m	88.9m	Koba, City
Net profits	2.5m	847,000	Midland In Norway 7
Net per share	D.12	0.04	Nuclebras
COMMONWEALTH EDI	SON		OKB 8% 9
	1980		Oslo. City
1		1979	Venazuele,
Year Revenue	2 99ha	2 75ha	World Ban
Revenue	3,350n 384.2m	2.75bn 294m	World Ban
Net per share	7.94	2.43	World Ban
Dollar and the state			Averag
DOME PETROLEUM			SWISS FR
	1980	1979	STRAIGHT
Year	⇔ .	CS	Austria, R
Revenue	1.14bn	945m	BECE 84 9
Revenue	266.2m	173.8m	BFCE 64 9 Bayer int.
Net per share	6.01	3,90	Bargen, Ci
HARCOURT BRACE			Buhrm'n-Te
	1980	1979	Copenhage
Foundly monetar	5	\$	Denmerk 5
Fourth coarter Net per share Net profits Revenue	0.35	0.64	Dome Petro
Net profits	1.5m	2.8m	Elet, de Fr
Revenue	111.2m	109.8m	Eurofima 5
Year			F. G. H. Hy
Revenue		456.2m	Finland, Re
Net profits	24.4m	23.8m	IntAmer.
Net per share	5.56	5.46	Japan Day.
HARLEQUIN ENTERPRIS	ES		Jutland Tel Mr. Blanc
MANLEQUIE BEILING			MAUMA E1
l	1580	1979	Newag 54 Norges Kor
Year	_CS	_CS	OKB 4% 91
Revenue	205.2m	185.4m	OKR E DO
Net profits	47.4M	21,3m	Usin Cir-
Net per share	1.03	1.34	OKB 5 90 Oslo, City Oslo, City
IR. H. MACY			Philips Lam
ł 	1980-81	1979-90	Sekisui Pre
	5	\$ -	Shikoku El.
Second quarter		797.3m	Trada Day.
Net profits Net per share	59.5m	55.1m	Voest-Alpin
Not par short	3.69	3.49	World Bank
Six months	3.22		Averag
Revenue	1.47bn	1.36bn	• •
Net profits	82.8m	77.8m	heatha
Not per share	5.13	4.93	YEN STRAI
MOORE CORPORATION			Austrelia 5,
INJUNE CONFUNATION			Australia 6
			CID 74 AA
	1980	1979	EIB 74 89
Fourth quarter	1980 S	s l	Finlend 5.6
Sevenue	1980 S '476.2m	\$ 4 <u>17.1</u> m	Finland 5.6 Finland 6.8
Net profits	1980 S 476.2m 32.9m	\$ 417.1m 27.6m	Finland 5.6 Finland 6.8 Finland, Ro
Net profits	1980 S '476.2m	\$ 4 <u>17.1</u> m	Finland 5.6 Finland 6.8
Net profits	1980 \$ '476.2m 32.9m 1.17	\$ 417.1m 27.5m 0.99	Finland 5.6 Finland 6.8 Finland, Ro
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Revegue Net profits Net per shere Year Revenue Nat profits	1980 S 476.2m 32.9m 1.17 1.8bn 110.7m	\$ 417.1m 27,5m 0.99 1.54bn 104.1m	Finland 5.6 Finland 6.8 Finland, Ro Average
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Revegue Net profits Net per shere Year Revenue Nat profits	1980 S 476.2m 32.9m 1.17 1.8bn 110.7m	\$ 417.1m 27,5m 0.99 1.54bn 104.1m	Finland 5.6 Finland 6.8 Finland, Ro Average
Revenue Net profits Net per shere Year Revenue Net profits Net per share	1980 \$ 476.2m 32.9m 1.17 1.8bn 110.7m 3.95	\$ 417.1m 27,6m 0.99 1.54bn 104.1m 3.72	Finland 5.6 Finland 6.8 Finland, Ra Average OTHER STR Bell Canada CIBC 134 8 CIBC 114 8
Revenue Net profits Net per shere Year Revenue Net profits Net per shere	1980 \$ 476.2m 32.9m 1.17 1.8bn 110.7m 3.95	\$ 417.1m 27.6m 0.99 1.54bn 104.1m 3.72	Finland 5.6 Finland 6.8 Finland, Ra Average OTHER STR Beil Canadi CIBC 1312 8 CIBC 1112 8 Faderal Dev
Revenue Net profits Net per shere Year Revenue Net profits Net per share	1980 \$ '476.2m 32.9m 1.17 1.8bn 110.7m 3.95	\$ 417.1m 27,6m 0.99 1.54bn 104.1m 3.72	Finland 5.6 Finland 6.8 Finland, Ra Average OTHER STR Bell Canada CIBC 134 8 CIBC 114 8

Strong year-end Olympia seeks more upturn at Penney of Abitibi

BY DAVID LASCELLES IN NEW YORK

C PENNEY, the first of the from Penney's Belgian operamajor U.S. retailers to report tions were also lower, and sales results for the whole of 1980, were slightly down in the final had a strong final quarter. But quarter... its full-year performance showed the impact of the troi on costs had contributed

sumer spending. Sales for the year were up only 4.6 per cent in nominal suggesting a real decline. Profits were ahead only 2.6 per cent and might have been lower still but for a sharp improvement at the end of the year when Christmas

throughout the U.S. Fourth-quarter sales were up almost 10 per cent to \$3.89bn. and profits rose 29.6 per cent to \$180m. Penney said this was due to the strength of stores

Penney made it clear that con-

economy's sharp ups and downs to profit margins in the final quarter, including tight controls and the uncertainty of conover expenses and stocks. A key component, interest costs, were off sharply for the year (8 per cent) but more because of lower borrowing levels than any decline in interest rates. which were at record levels much of the year.

Mr. Donald Seibert, chairman, sales proved surprisingly strong said of the outlook that consumers are expected to contime to follow exitions spend ing patterns through the first half of 1981. For the balance of the year, however, a combina tion of rising consumer income and catalogue sales, and of its and some improvement i drug stores. But insurance rate of inflation should searnings were down. Profits then consumer spending. and some improvement in the rate of inflation should streng-

AT & T trial reopens

THE HISTORIC anti-trust trial hoped a settlement would have tomorrow after the collapse of settlement talks between the U.S. Justice Department and the country's predominant telephone company.

AT and T, said yesterday that only some "fantastic last minute heroics" could lead to a settlement before the resump-tion of the trial, involving the biggest anti-trust suit on record which was originally filed by the Justice Department November 1974.-

Although AT and T and the Department are expected to continue negotiations over a possible settlement after the trial resumes, the failure to reach an agreement is regarded as a major blow for AT and T. Litigation could last several years at a time when and an unregulathe telephone company had cessing industry.

against American Telephone clarified the overall outlook for and Telegraph will resume the U.S. telephone and telecommunications industry.

Until last week, there had been measured optimism that a settlement would be reached this week involving divestiture by AT and T of its manufacturing arm, Western Electric, and one of its largest telephope operating companies, Pacific Telephone

A settlement would have removed considerable uncer tainty over AT and T's future and set the basic ground rules for its entry into new busi-nesses in the telecommunications field.

The resumption of the frial tomorrow could now put off for considerable time a solution to problems involving a regulated telecommunications and an unregulated data pro-

THE BATTLE for control of Abitibi-Price, the world's largest newsprint manufacturer, housest up yesterday when Olympia and York Investments, the property and resources group owned by the Reichmann family of Toronto, said it would re-cast in offer to buy Abitibi shares so 🚙 to seek a holding greater than

50 per cent Olympia would not say pro-cisely how many Abitibi share it wanted to buy, nor whether t would increase its price from the C\$28 (about U.S.\$23.30) share of its original offer which was for 6.75m Abitibi shares, o 45.7 per cent of the equit (40.6 per cent after dilution) But it expects to stick to its original plan of bidding through Canadian stock exchanges.

Olympia's original bid was ostponed after a rival C\$31 share offer from Thomson New papers and Nu-West, a Cal gary property company. Bo through the Canadian stud exchanges tomorrow.

Inquiry into Petrofina deal

By Victor Mackie in Ottawa THE CANADIAN Government has promised an official inquire into the circumstances surround ing the sale of Petrofina Canada to the Government-owned com-

pany, Petro-Canada Mr. Andre Ouellet, Corporate Affairs Minister, said his officials will examine whether Petrofina Canada's shareholders got a fair deal in the sale This follows the revelation

that Mr. Pierre Nadeau, chanman of the board of Petrofine earned about \$300,000 by exercising stock options in the company in January. Mr. Nadean described his decision to sell as "lucky" and has rejected any suggestion that he had inside knowledge of the pending takeover.

186 87 0 404 10.23
198 99 404 405 10.23
195 96 407 407 10.74
197 974 0 -14 10.74
193 934 404 -1 11.43
1974 934 404 -14 10.58
1964 974 404 -14 10.58
1965 974 -04 -14 14.71
97 98 -04 -14 14.71
97 98 -07 -14 14.71
98 967 974 -14 -14 14.71

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday, March 11.

will be published in	ext on	Wednesday, March 11.
U.S. DOLLAR		_ Change on
STRAIGHTS	issoed	
Amoco 134, 88		944 944 -02 -04 14.54
CECA 112 88		87 2 88 -04 -07 14.31
CNE 124, 91	100	90% 91% -0% -1% 14.50
Citicorp O/S Fin. 10 86		841 854 -04 -04 14.15
Citicorp O/S Fin. 12 87		901, 901, -01, -01, 14.27
Con. Illinois O/S 9% 86		83 83 ¹ 2 -0 ³ 8 -0 ³ 2 14.42
Denmark 11% 90		843, 853, 0 -07, 14.80
Dupont Canada 132 91		94 2 95 - 0 - 1 - 14.50
EEC 11 96 (May)	75	794 804 -04 -05 14.35
EEC 11 95 (August)	70	783 787 0 +01 14.60
EIB 13% 90	100	964 964 -04 -05 14.46
Ekaportfinans 91, 87	75	874 824 -04 -04 13.94
Elec. de France 10 88 Elec. de Figures 13 88		814 817 -04 -04 14.15
Export Dv. Cpn. 123 87		937, 943, -01, -07, 14.38
Export Dv. Cpn. 92, 86		931, 931, -01, -01, 14,37
Fin. Exp. Credit 104 85		827: 834: -04: -04: 14.55 867: 874: -04: -04: 14.67
Finland, Rep. of 92.86		813 82 -04 -02 14.90
Ford Credit O/S 14% 83		964 974 -012 -1 15.96
Ford Cr. O/S Fin. 18 84		1024 1024 0 0 14.93
Gaz de France 1312 86	90	874 974 -04 -04 14.25
GMAC 0/S Fin. 12 87		884 887 +04 -04 14,77
GMAC Q/S Fin. 1272 88	100	914 914 -04 -04 14 94
Gen. Mtrs. 0/S 11% 87		884 884 -04 -04 14,52
GTE Fin. 134 86 (WW)	50	974 984 -05 -1 14.32
Hudson's Bay 112 90	75	84% 84% +0% 0 14.59
IBM Canada 104 85	50	347, 96% 0 -0% 11.57
IBM Wid. Trade 125 88	200	944 954 ~04 ~04 13.65
Newfoundland 132 90	60	934 937 04 04 14.82
Nova Scotia 104 90	50	80% 81% -0% -0% 14.56
OKB 10 .85	50	86 2 87 -02 -07 14.23
Quebec Hydro 1112 92	100	82 82 ¹ 2 -0 ¹ 2 -0 ¹ 4 14.80
Quab. Hy. 13 91 (WW)	100-	90% 97% -0% -0% 14.77
Roylease 111 85,_	50	90 90 - 0 - 0 - 14.40
SNCF 124 85 SNCF 13 91	50 75	941 941 -01 -01 14.20
Svan Handelsbk 133, 88	75 45	931, 931, -01, -11, 14.25
Sweden 121, 85	150	94% 95% -0% -0% 14.94 93% 93% -0% -0% 14.36
Swed. Ex. Credit 12 83	50.	53½ 53% -0½ -0½ 15.06
Swed. Ex. Credit 13 86	爱	941, 945, -07, -14, 14,67
Unilever NV 94 90	100	782 79 -1 -1 13.92
World Bank 9% 85	200	87½ 87½ 0½ 0½ 13.80
World Bank 104 87	300	84% 84% +0% -0% 14.09
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STRAIGHTS	issued	Bid	Offer	day	Week	Yield
Azian Dav. Bk. 84, 90	100	263	871.	+02	- 0	10.55
Australia 84 90	260	90%	911	-12	+11	3.67
Austria, Rep. of 81, 92	150	86%	871	ă,	- 13	10.18
BFCE 84 95	100	+843.	251.	-0	43	10.17
CFCA 77 92	150	1943	251	-01	2]	10.11
Cli-Honeywall 8's 90	125	188	293.	_01	_03	10.71
Denmark 84 92	100			T 92	-07	9.96
E(8 87 90	200	903	011	T 67	_0	9.96
ESCOM 94 87	100	931	94	-07		10.61
Iberduero SA 9 80	100	1012.	55	-01		10.42
Ind. Bk. Finland 81, 90	50	185	9C1.	_07		10.92
Japan Air Lines 85 87	100					10.10
Japan Dev. Bank 75-87	100	051	971		יים ו	10.10 10.43
Kobe, City of 8 90	700	961	67.3	_2	1 _05	10.43
Midland Int. Fin. 81 90	190	201	977	_07		10.23
Norway 74, 85	250	011	977	_^^2		10,74
Nuclebras 5% 88	100	+002	927	41	TV4	70.17 12.51
OKB 84, 92	150	4961	7	- 17		10.29
Oslo, City of 84 90	80	1007	O/	TVI	. – 62	10.29
Venazuele, R. of 94 90	150	921	914	_15	-47	10.26
World Bank 8 90	700	023	227	-0%	-0-	10.99
World Bank 10 86	150	1005	7041	~~	+1	10.03
World Bank 10 90	200	1003	1017	·	+0%	9.73
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also butes citalia	VI	ıı uzy	-9%	OU A	reek -	· 0-
SWISS FRANC				~h		
STRAIGHTS	Issued	Rid (Offer	dev e	ge on	Wales
Austria, Rep. of 53, 90	100	901	PWI -		TOTAL K	1 10 10

						-
SWISS FRANC	_			Change		
STRAIGHTS	Issued	Bid	Offer	day w		وماماح
Austria, Rep. of 5% 90	100		OM.	+05 -	. 47	
BFCE 6'2 91	100	1002	7003.	-07 -		
Bayer Int. Fin. 54, 92	100	Ons.	0.71	-03-	43	6.41
Bergen, City of 6 90	50	965	951	-04 -	97	6,42
Buhrm'n-Tetterode 7 90	. 40	700	4001	-04 -	<u> 2</u> 7	6.64
Copenhagen Tele. 54, 90	. eo	100	100%	-1 -	37	6.98
Denmark 64, 90	80			0 +		6.97
Dema Cassalana Cl. es		874	87%	-13 -		7.65
Dome Petroleum 54 91	^100		937		14	6.63
Elet. de France 54 90	100	904		-14 -		6,60
Eurofima 54 92		1101		+0% +	1.	5.50
F. G. H. Hypo, Bk. 5 90	SQ	†95		0	0	6.70
Finland, Rep. of 5% 90	30 .		917	+02 -	14	6.93
IntAmer. Dev. 7 90	80	991	997	-1 -	3	7.05
Japan Dav. Bank 5% 90	100	94		-04 -		6.59
Jutland Tele. 51, 90	50	814			õ	6.84
Mt. Blanc Tunnel 5 2 90	60	92		-07 -		6.62
Newag 51 90	. 80	94		+04 +		6.61
Norges Komm. 42 91	100	80		-0% -		7.08
OKB 4% 91	100	181		-0½ -		
OKB 5 90	100	97 97				6,92
Oslo, City of 43, 91	100	81		<u>0</u> –		6.43
Osla, City of 57, 90	30	35		-04 -		6.94
Philips Lamps 54 92			33%	+05 +	0.4	6.57
Sakisui Pre, Hma. 6 90	100	1897		-04 -		8.55
Chilate St Barrell SA	30	3412				6,79
Shikoku El. Pwr. 44, 89	700	190	90³,	-07 ₆ -	14	6.26
Trade Dev. Fin. 64, 90	50	83	931	-04 -	o,	7.13
Voest-Alpine 5% 90	50	934		+04 -		6.63
World Bank 6 91	100	945	0.17.	_M_		a 74
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-	Finland 5.6 83	9
n 9	Finland 6.8 88	.0
0	OTHER STRAIGHTS tasued Bid Offer day week Yi	e)

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Shelenaukeu 6 91	U-4	.98%	991	19/6	:197	20:10.
Sparebanken 6 87 Standard Chart. 54 90 Svanska Hndishk 5 87	ᅄ	347	900	6/3	12 OE	12 18
Svenska Hndisbk: 5 87 Bg. Ex. d'Ala. 41 80 CE	Or⁴	997	997	15/7	17 91	77.85
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CONVERTIBLE BONDS	CITY.	Crrv.		•	Chg.	- 17.
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Bow Valley Iny. 8 95	4/81	77 12	100	CHBL	gay	Lien.
Canon 6% 95	1/81	23. LZ	100	101	+04,	28.43
Credit Suisse 43, 93	10/70	1970	111	112	— D72	6.70
Digicon Fin. 81, 95	10/20	12/6		. 38§	-14	- 6.14
Foreigh Big of de	10/61	29.5	30,1	994	+31	9.67
Enserch Fin. 92, 94	7/80	30.25	162	164	+2%	-0.87
Hanson O/S Fin. 92, 95	1/81	1.92	1057	7067.	+0-,	-0.61
THE CARLESSES AT MUN	A /21	~~	981	100	+04	d-00
TO COLORDE LEG. X SEC	7 404	-	911.	937	T	8.30
Jacus /~ xn - 1	11/00		12-7		+14	5.53
			627.3	1334	−27. +4	T.80
**************************************	17 (On	Faa	400	527.7	+4	61.54
MEPC 814 96	200	230	IW	LUI	-74	5.64
Nilgate Eng. 72 96	401	2,47	99	100	-1	11.75
Nieska land O dan	1/07	327	100%	1015.	-1 -04	4.55
Nissho-Iwai Co. 8 961	0/80	386	91	92	-01, -	-0.64
לא גים ווסטות	9786	604	7771.	159L	- 21 -	. 4 08
941111100000 M. INC. 7 96	7 <i>1</i> 111	404	1094	110	-04	6 37
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ks mon Ford chief to join Peugeot

irres from the ke MR. VICTOR DIAL, an American who has been head of Ford France for the past seven years, has been recruited by Automobiles Peugeot, the French car company, to run its marketing, quality control and program-

ming service.

Aged 42, Mr. Dial has spent
all his working life in Ford,
all his working from Yale. north north after graduating from Yale. Since 1963, he has been working in Europe, where he has gained wide experience of France.

Source of the state of the stat remained the suppose of the state of the suppose of Mr. Dial's appointment to Automobiles Peugeot comes at a critical time for the marketing side of the company, which is engaged in merging the Talbot distribution network with its own dealership organisation.

A large number of dealers, said to be around 60, have already left the company in the course of this reorganisation. some of them being taken on by Renault and others by foreign car manufacturers.

Peugeot is now clearly intent on limiting the number of defections, while pulling to-gether the two networks to maximum effect.

SSIH sells two units

" By John Wicks in Zurich SSIH, the Swiss watch group, is to dispose of two production ribsidiaries. Economic Swiss Time and Lemania-Lagrin, The thove is part of the group's policy of concentrating on its two main watch brands, Omega and Tissor.

SSIH, which sustained heavy dosses last year, is at present negotiating a "co-operation agreement" with Asuag, Swit-zerland's biggest watch concern and awaits an aid package from

.a banking consortium. Economic Swiss Time, which makes low-priced watches, has been sold to the Zurich trading house, Nimex Lemania-Lugrin is to work as an independent company—with the name of Nouvelle Lemania—under the management of a "working narty" set up by the Lemania-Lugrin manager after SSIH in October announced a drastic cut in production.

As Nouvelle Lemania, the company has taken over equip-

NMB pays more as earnings rise

BY CHARLES BATCHELOR IN AMSTERDAM

NMB - Nederlandsche Midden balance sheet total rose 18 per proposes an increase in divi-

Net profits rose by 16 per cent to F1 182.6m (\$78m). A final bank outperformed its major in 1979,

largely as a result of an increase in business volume, bad risks—which rose by 42 per while cost increases were cent to F1 214m—increased less limited to 10 per cent. NMB's sharply.

were 18 per cent higher at Fi 45.1bn.

brings the total payment to Algemene Bank Nederland and NMB A F1 14, compared with F1 13.50 Amsterdam Rotterdam Bank dividend. on most counts. Profit and Income rose 12 per cent, balance sheet growth at NMB

ABN last week reported a 13 standsbank—the third largest cent to F1 47.9bn: lending per cent rise in net profit on a Dutch commercial bank, reports increased 13 per cent to 14 per cent increase in its sharply higher net profits and F1 28.7bn, while borrowings balance sheet, while doubling risk provisions. Amro raised net profit by only 1 per cent on - NMB's results show that the a 12 per cent higher balance sheet, while increasing prodividend of F1 8.75 per share commercial banking rivals, visions by 50 per cent. Like brings the total payment to Algemene Bank Nederland and NMB ABN is raising its

> NMB said its business continued to expand last year, were faster while provisions for although growth slowed in the second half because of the deterioration in the economic situation.

The bank also announced that it has acquired for cash the capital of Banque d'Investissements Mobliers et le Financement (Imefbank) of Geneva from Banco Popular Espanol of Madrid. Imefbank has a balance sheet total of SwFr 81m (\$41m) and own assets of SwFr 14m, with offices in Geneva, Lausanne, Fribourg, Bulle and Neuchatel.

 Midland Bank International yesterday officially opened a representative office in Amster-

Rights issue by Svenska Flakt

BY VICTOR KAYFETZ IN STOCKHOLM

dividends are reported for 1981 by Svenska Flakt, the Swedish industrial ventilation and pollution control group.

The company plans a one-forfive rights issue to raise SKr 62m (\$13.3m) and will boost nominal capital further through a scrip issue, also at one-for-five. Profits before tax have risen

to SKr 153m from SKr 110m, after good sales growth and despite Flakt having traded at a loss during the first half of

For the current year Flakt sees a further rise in earning and, as an example of its confidence, is lifting the dividend for 1980 by SKr 1 to SKr 8 a

INCREASED PROFITS and cent to SKr 4.32bn, partly as a result of Flakt's diversification into fields such as the handling and storage of grains.

Flakt's equipment division, which makes ventilation equipwhich makes vehication equip-ment, improved earnings from SKr 17m to SKr 47m, while net financial earnings moved up by SKr 10m to about SKr 30m, mainly because of . higher interest rates. The industrial and marine

sectors as well as the Gadelius group, a trading company with most of its business in Japan, showed higher earnings in 1980. The contracting sector recorded a drop in profits.
Order inflow during 1980 extended to SKr 4.63bn, with

outside Sweden customers hare. accounting for an unchanged Sales climbed nearly 26 per 75 per cent of the workload.

Two hard years lie ahead for ASEA, the Swedish heavy electrical engineering group. The annual report nevertheless is optimistic about the company's medium-term prospects, citing its technological strengths and efficient production plant, good potential for international expansion and, not least, the far-reaching reorganisation into profit centres initiated during 1980.

Areas with good market potential for ASEA include light products with high electronic content, whereas traditional heavy products such as generators, transformers and sub-stations show less promise, the report says. ASEA will expand its capacity in speciali-ties such as industrial process

Renault moves output to Belgium

factories in Belgium.

The French company said yesterday that it would be framework. the Atlantic.
transferring production of its At the same time, however, The Belgian plant will have R14 model from is Douai plant Renault is juggling with its to be expanded to take on the in northern France to Haren, capacity in Europe to make way R14 production, which at

Renault's decision is partly

coment appears as a matter of record only.

THE LONG-TERM

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Japanese car imports, but only within. universal EEC

near Brussels, at the end of for a new car closely modelled this year. The announcement on the vehicle due for introduc- a day. puts an end to fears that the tion next year at American company might write down its Motors Corporation, its partner operations in Belgium.

in the U.S.

This vehicle, aimed at giving related to indications that the main thrust to Renault's Belgium, already hit by the planned expansion in the U.S., planned closures of Cixoen has been designed around mechand BL car plants, is prepared anical parts which will be sup-

RENAULT, France's state to take a tougher line on plied from France. But the owned motor group, has with Japanese sales. The Belgium announcement yesterday was drawn a threat to veto further Government said recently that the first time that Renault had investment at its constant of the constant of investment at its car assembly it supported limitations on made it clear that it would be using many of the same parts in two new cars on both sides of

> R14 production, which at present totals about 850 units Boussac-Saint-Freres. the

textile manufacturing division of the Agache-Willot group, is expected to announce redundancies of at least 2,000 in the next few days, after lay-offs of 1,800 in 1980.

Norsk Hydro lifts payment despite setback

By Fay Gjester in Oslo NORSK HYDRO, which recently reported lower than expected results for the six months 1980, ended December, 1980, is paying a higher than usual ended for the period of 8 per cent. The payment com-pares with 12 per cent (usually the maximum permitted) for the year ended June 1980.

The board is recommending the higher amount because Hydro celebrated its 75th anniversary during the period, and distribution has been exempted from the normal ceiling. From January 1 this year, Hydro is changing its accounts to a calendar year. Another Norwegian company Elkem, is paying an unchanged

12 per cent for 1980, although its profits were halved last year to NKr 180m (\$33m) on turn-over of NKr 3.9bn Elkem is involved in metals, mining and manufacturing, and demand for several of its main products has been hit by the world recession.

TNI still seeks Toyota link

By Robert Graham in Madrid THE SPANISH State holding company, INI, is to continue talks with Toyota with a view to eventual collaboration in the troubled car maker, Seat, although INI officials recognise that Seat is not now a prime consideration for the Japanese

Toyota's position was made clear to a group of top INI officials who, headed by Sr. Carlos Espinosa, the company's vice-president, made an eightday visit to Japan last month. Co-operation in the motor sector was only one of the topics discussed by INI. The main purpose of the visit was to make INI better known both

Government, industrial associations and the banks. INI has selected Japan as one of three countries with whom it wants to promote collaboration in new fields in which Spain lacks technology. These include processing of foodstuffs, medical eguipment. bio-technology. micro-processors, aerospace and

to Japanese companies, the

motor parts.

INI is prepared to be a minority shareholder in these ventures in order to diversify into at least some of these fields. Among companies with which talks were held were Hitachi and Fujitsu. already has a partnership with Fujitsu, the latter holding 25 per cent in Secoinsa, a company producing mini-computers

In addition INI has technology collaboration agreements with 14 Japanese companies, mainly in heavy industry. In the past two years INI has paid out around \$40m in royalties and licensing agreements. Japanese bank credits to INI companies amount to \$420m.

Monetary policy hits profits at Finnish banks

FM 24.2bn for the banking operation and FM 26.3bn for the group, both up by 27 per cent, KOP maintained its place as Finland's biggest bank. It allocated FM 92m to its credit loss reserve, raising the reserve to FM 470m. The Union Bank reported a 26.5

19.6 per cent respectively.

More lay-offs at **Dollfus-Mieg**

By Our Financial Staff

has a workforce of 12,300. M. Gerard Thiriez, the group's bresident, said

able over the next three years.

By William Dullforce in Stockholm THE TIGHT monetary policy imposed by the Bank of Fin-land last year held back the 1980 earnings of the country's two largest commercial banks. Kansallis-Osaka-Pankki (KOP) and Union Bank of Finland. KOP has reported an operating profit of FM 161m (\$40.2m). which was FM 16m ahead of

the profit reported in 1979 which had been reduced by an extra-ordinary payment to the pension fund. Mr. Veikko Makkonen. the managing director, described the result as "satisfactory" but pointed out that his bank had paid FM 37m in penalty interest to the Bank of Finland during the year. With a balance-sheet total of

per cent decline in operating profit to FM 172m (\$43m) for the group and a 30 per cent fall to FM 147m for the bank last year. The Board pro poses to pay unchanged divi-dends of 14 per cent.

Deposits grew by 14 per cent to FM 12bn while lending was up by 13.5 per cent to FM 14bn. The balance-sheet total was FM 28.5bn for the group and FM 24bn for the bank, up 23 per cent and

DOLLFUS-MIEG, the French textile group, intends to elim-inate 1,300 jobs this year, bringing to 5,000 the reduction in its personnel in four years. Dollfus-Mieg at present swung back into the red. Its consolidated accounts, he said would show an operating loss

of FFr 30m (\$6m), against a profit of FFr 71.5m in 1979. M. Thiriez disclosed that the group was seeking government aid of FFr 200m, repayCompanhia

US \$60,000,000

Medium-term Financing

in connection with a contract signed between CESP and Gruppo Industrie Elettro Meccaniche per Impianti All 'Estero SpA - GIE, Milan relating to the Rosana and Taquarucu hydroelectric projects.

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National Bank of Canada (International) Limited **Orion Bank Limited**

Banco do Estado de São Paulo S.A. - BANESPA, Cayman Branch Bank Leumi Ie-Israel Group Banque Belge pour l'Industrie S.A. Union Chelsea National Bank



February 1981

US\$250,000,000 Guaranteed Floating Rate Notes Due 1984 (with Warrants to purchase US\$250,000,000 12% Guaranteed Bonds due 1991)

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(Incorporated with limited liability in the British Virgin Islands) Unconditionally guaranteed by

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In accordance with the terms and conditions of the above-mentioned Notes and Agency Agreement dated as of March 2, 1981 between Ciricorp Overseas Finance Corporation Limited and Citibank, N.A., notice is hereby given that the Rate of Interest for the initial Interest Period has been fixed at 1616% per annum and that the interest payable on the relevant Interest Payment Date June 2, 1981 against Coupon No. 1 in respect of US\$10,000 nominal of the Notes will be US\$423.26.

By: Citibank, N.A., London, Agent Bank

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U.S.\$75,000,000

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Banque Nationale de Paris, Chicago Branch The Royal Bank of Scotland Limited

Bayerische Landesbank International S.A. Privatbanken A/S, Grand Cayman Branch

Bank of Canton of California

Merrill Lynch International Bank Limited

December, 1980

LTCB International Limited February, 1981

> CORPORATION OF NEW YORK announces that as of April 1, 1981:

RALPH F. PETERS

will become Chairman of the Board, succeeding Robert H. Bethke who will reach mandatory retirement age. Mr. Bethke will continue to serve as a Director of the Corporation.

ANTHONY J. HANLON

will become President succeeding Mr. Peters.

DONALD G. BRODIE

will become Executive Vice President, and a new member of the Board of Directors.

DISCOUNT CORPORATION OF NEW YORK 58 Pine Street, New York, N.Y. 10005

KOREAN STEELMAKING

Posco brings its plan to fruit

Korea completed the final phase ending an 11-year saga many turnover of \$2.5bn in 1980, the thought should never have

Building the steel complex, which puts South Korea in 11th No. 1 blast furnace is operating place worldwide in production on an "oil-less" basis and an capacity, has been a major national priority. With no domestic supply of coking coal or petroleum, and no iron ore to speak of, the construction and expansion of the stateowned Posco over a period which also brought soaring oil prices, overcapacity in the steel industry worldwide and a reces-

sion, faced risk. Fully on stream within three months, Posco will be offering its additional production in a domestic market still trying to pull itself out of a recession and in a world market where sluggish demand is fiercely contested. In a battle to keep Korean steel prices down, the man responsible for compressing construction schedules and deliver-ing the additional 3m ton production capacity four months early, is Tae Joon Park.

As president since the com-pany began in 1968, General Park achieved construction of each phase of the steel complex ahead of schedule. In total Posco shaved 11 months off the original construction schedule. The result is an average construction cost of \$422 per ton of steel capacity, far below the international average of \$700 to \$1,009 per ton for steel complexes built in the last 10 years. The total investment outlay for the complex over the 11-year period was \$3.31bn. Foreign institutional and commercial financing provided \$1.95n of the total at an average annual interest rate of 8 per cent. The additional funding was in local currency, with Poscos earnings in won and depreciation con-tributing 75 per cent of this requirement. Technology came from Nippon Steel.

Belief was widespread at the the beginning that construction of such a project would be too inflationary for the South Korean economy.

supply the domestic market with steel \$50 to \$100 lower per ton than domestic steel Although Posco's policies until 1983, when additional production capar prices in the U.S. and Japan, have kept domestic steel prices steel production from Taiwan tons per annum.

WHEN THE fourth blast fur- General Park observes. The rising at a rate lower than the will probably change the nace at Pohang Iron and Steel company talks of squeezing its wholesale price index, the com-Company (Posco) started mak- profits so that the price of steel ing iron last month, South to the biggest domestic markets - construction, shipbuilding. of its integrated steel mill, home appliances - and other, bringing total production capa- export industries does not climb city up to 8.5m tons of crude at the same rate as the steel a year, from 5.5m, and increased cost of oil. On a

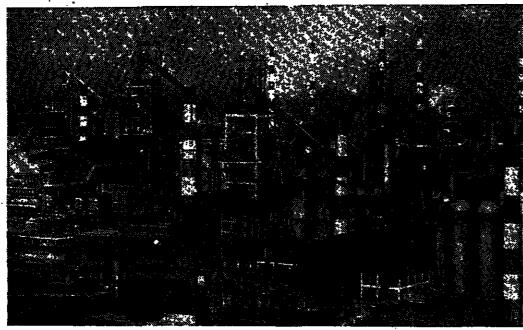
> company realised \$50m in profit. In energy-saving measures to reduce costs further - the No. 1 blast furnace is operating experiment is underway to

pany has had to export 30 per cent of its output during the last two years in order to keep operating efficiently and to make up for lagging domestic company's The demand newest export market is Japan,

which imported 700,000 tonnes of Korean steel in 1980, According to Posco officials, the company is fully competitive with Japanese steelmakers, and

market picture in the region.

With steel exports to the U.S. a traditional Korean market, decreasing and European Common Market countries undergoing a serious crisis in the steel industry, the company is looking elsewhere for better export markets. The Middle East, Australia, and Thirld World countries are likely targets. According to a company official. China is not an attractive marhas lower production costs in ket for Korean steel, because hot rolled coils, ship plates, pricing has become too political.



With the completion of Pohang Iron and Steel Company's integrated steel mill, Korea ranks in 11th place in capacity among the world's steelmakers.

operate the No. 2 blast furnace without oil as well. Continuous casting is used for 40 per cent of output, a rate still below that of the Japanese steel industry, but better than the U.S. and the UK, according to Posco.

The company is also protecting another flank from resource nationalism by securing captive mines. It will start receiving U.S. coal in the latter part of 1983 from its own Tanoma Mine in Pennsylvania, purchased recently for \$70m. Posco is also negotiating with Greenhills of Canada for an equity investment of more than \$52m and with Mt. Thereley in Australia for close to \$40m in an equity Posco is, however, able to participation. The company is also seeking an investment in

a magnetite mine.

cold rolled coils, and wire rods. culates that it has contributed country's balance of payments. ducts that were previously imported from Japan at the rate of 1.2m tons annually.

South Korea is expected from

this year to be fully selfsufficient in steel, new export markets, however, try cannot afford overcapacity since General Park believes the at any period, General Park sees company has an obligation to need for restraint in planning earn the foreign currency necessary to pay for its own question of a second steel plant foreign borrowings. South East has not been resolved, Posco Asia which imported 739,000 will probably proceed with its tonnes from Posco in 1980 is expansion plan for the No. 2 regarded as a good market only

Posco officials are convinced Through exports and import they must continuously update substitution, the company cal-their production. Out of the 100 various qualities of steel, \$2.3bn towards improving the the company can produce more than 50 per cent of the special-The new fully automatic hot ised steels. General Park aims rolling mill will produce pro- at the manufacture of high technology steels to compete abroad. With steel industries in other

countries considering cutbacks in production. South Korean economists are rethinking the timing of a second integrated Posco will be looking for steel complex. Since the counfuture capacity. Although the blast furnace in 1983, bringing production capacity up to 9.6m.

tour years ago I came here



*TN 1977, I set up a UK plant in Central Lancashire—the companys 21st, in fact, although we now have 29 plants and warehouses on 3 continents, plus sales outlets in more than 100 countries"

Karel Bos is Chairman of Bosal International, who specialise in the production of quality exhaust systems, garage equipment and steel tubing.

"Ît was inevitable we should set up in the UK, because this is a very large market for us-there are more than 15 million cars over here.

"We hit on Central Lancs because there's a lot of industry similar to ours in thearea, and all our raw materials are close

"What's more, a lot of potential customers are within a 100 mile radius of us. "Obviously, we looked at other areas" before making the choice. Many of them

–its no problem." This close contact obviously has an effect. The UK plant is now exceeding all

previous production levels. "I find the workforce responds well to a policy of co-operation; we also make quick decisions, which they seem to like.

Karel frequently commutes to ensure

early evening, arrive in Preston in time for a good night's sleep, do a full day's work, then fly back on the 8.10 evening flight

The site's proximity to Manchester Airport means I can leave Belgium in the

things are running smoothly.

"Our UK operation is still only in phase one. I'll be disappointed if we're not talking to CLDC about further expansion by the end of this year."

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Company. our Belgian mother factory, then produced the plans just the way we wanted Address. them-although Thave to admit he wasn't

"Apart from business and economic arguments, the Corporation's people and the service they gave us were major reasons for our choice of location. I've nothing but praise for them?

offcred what seemed to be generous incen-

tives which would have lowered setting-

up costs, but we thought we'd really

only be buying a very big problem for the

the factory ourselves—our experience has

given us certain ideas on the way a plant

architect was superb. He came over to see

keen on all our ideas!

"Once we'd chosen the site, we built

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Central Lancashire The foundation for your future. Postto: W. McNab. F.R.L.C.S., Commercial Director, Central Lancashire Development Corporation, Caterden Hall, Bamber Bodge, Preston PR5 6AN. "Idephone: Preston (4772) 38211.

"Thanks, Central Lancs."

Although he's based in Belgium,

Overseas operations boost Bank Hapoalim

By L Daniel in Tel Aviv

BANK HAPOALIM, the second largest Israeli banking group. after Bank Leumi, has reported centinued growth in operations. as well as in profitability in nominally, or of 8.8 per cent in real terms, over 1979, and a rise of 21.2 per cent in U.S. dollar terms. The balance-sheet volume has multiplied 676 times terms. in terms of Israeli currency, and 31 times in U.S. dollar terms over the past 12 years.

The bank's consolidated net profits amounted to Sh 639.4m (\$84.7m), to show a rise in real terms in shekels of 33.6 per cent and in terms of dollars 48.8 per cent. A large part of the increase in profits resulted from operations abroad (where the bank has 25 branches and several subsidiaries), since taxa-tion overseas is lower than in Israel. The increase in local interest rates was another contributory factor.

The bank's capital base was also broadened in 1980 by a public offering of Sh 250m of shares and warrants in Israel. Consolidated capital resources now stand at Sh 2.1bn. In addition, the bank again issued in 1980 a \$50m note offering on the Eurodollar market.

The Board plans the distribution of bonus shares at the rate of 40 per cent. In addition to the 25 per cent bonus shares, distributed last July, which will also be entitled to the new distribution, bringing the effec-tive rate of the bonus share distribution for 1980 to 75 per cent, against 45 per cent in 1979. The cash dividend is to be unchanged at 12.5 per cent on ordinary shares and 15.5 per cent on ordinary preferred. United Mizrahi Bank (UMB), Israel's fourth largest, has reported results for 1980, sub-stantially outstripping the rate of inflation.

Net earnings rose by 45 per cent in real terms (adjusting for Israeli inflation and foreign fluctuations) currency Sh 94.6m. The bank proposes to distribute an unchanged cash dividend of 15 per cent and bonus shares at the rate of 100 per cent (35 per cent in 1979).

The consolidated balancesheet increased by 66 per cent in real terms to Sh 21.8bn. UMB acquired the country's largest mortgage bank, Tfachot, during the year. Without Tfachot the increase was 16 per cent in real

Apart from the Tfachot acquisition the group further cent to Y687.71bn, with the setexpanded its branch network back being attributed to lower oth locally and abroad; went merchant banking and leasing operations and entered the field of insurance.

A MOVE to attract current account holders and reduce adrevision of charges for cheque 1980. Total consolidated assets and in addition, the Govern-reached Sh 128.3bn (\$17bn), ment is to show banks to raise accounts has been announced an increase of 158.7 per cent the maximum interest rates charged on loans by as much as ten percentage points.

The banks hope the changes will offset in part the adverse effects on their profits of recent aggressive competitionamong themselves and with other financial institutions.

NET PROFITS of Thomas

Nationwide Transport, the diversified Australian transport

group, rose by 24.5 per cent to

A\$25.9m (U.S.\$30m) for the six

months to December 31, from A\$20.8m for the previous cor-

responding period. Turnover

expanded from A\$385.57m to

Sir Peter Abeles, the chief

executive said that the increase

in profit was assisted by addi-

tional earnings brought to

account from Ansett Transport

Industries and also from McIlwraith McEacharn.

Profits from Australia and the

UK were better, and those from

Canada and New Zealand were

steady, a loss was incurred by

the trans-Atlantic shipping ser-

vice Trans-Freight Lines (TFL)

Earnings per stock unit were 22.2 cents on increased capital compared with 25.6 cents

Group earnings

ISUZU MOTORS, the Japanese

car maker in which General

Motors of the U.S. has a 34

per cent stake, has reported a

fall of 62.5 per cent in consoli-

dated net earnings for the year to October 31, to Y4.8bn (\$23m),

from Y12.81bn. Sales were up

8.5 per cent to Y701.38bn

It was announced in Decen

ber that net profits for the year at the parent company level had fallen 60.8 per cent to

Y4.95bn. on sales up 8.2 per

trucks, together with higher

materials costs and a

interest burden

(\$3.4bn), from Y646.49bn.

fall at Isuzu

By Our Financial Staff

A\$474.34m (U.S.\$550m).

South African banks seek cheque account expansion

An interim dividend of 3 cents

for the three months to Decem-

ber, 1980, which makes an un-

changed 6 cents per stock unit

for thehalf-year.

BY BERNARD SIMON IN JOHANNESBURG

rent account charges which ministrative costs has been bank customers, are to be made by South Africa's ten abolished. These include arbi-account holders at the expense clearing banks. A wide-ranging trary "ledger fees" on all cur- of large companies, will affect town and deposited in another. The banks will no longer levy a "stationery charge" on cheque books or the fee on de-

posits of more than three items. Instead, a variable "service fee" will in future be levied on all cheques, payable by the drawer. This will normally range from a 20 per cent minimum charge on debts up to

Thomas Nationwide lifts

profits at halfway stage

Dr. Conrad Strauss, chairman of the Clearing Bankers Asso- R100 to a maximum of R4 on ciation, said that several curdebits over R2,000.

The banks do not expect that have been strongly criticised by the new charges system, which will generally favour small rent accounts and "country their total revenues from commissions" changed on current accounts. In so far as it changed on current accounts. In so far as it. cheques which are drawn in one attracts new account holders, it will bring benefits to the banks. They pay no interest on current accounts, which account for almost a third of their total

deposits. In terms of an amendment to the limitation and disclosure of Finance Charges Act, which came into effect yesterday banks may charge up to 24 per cent on outstanding overdrafts, compared with the previous ceiling of 14 per cent. The maximum rate on leasing and hire purchase transactions has been raised from 21 per cent

The banks have complained for some time about the spread between charges on their bestand poorer risks was unacceptably low. Prime overdraft rate per stock unit has been declared has risen from 9.5 per cent to 11 per cent since the beginning of the year. The poorest overdraft risks will probably be charged around 16 per cent for the time being.

Notice of Merger to the Holders of

Ward Foods Overseas Capital Corporation N.V.

52% Subordinated Guaranteed Debentures Due 1988 Issued Under The Indenture Dated As Of November 1, 1968

Notice is hereby given that WFI Acquisition Corp. has been merged into Ward Foods, Inc. (the "Company"), effective on December 31, 1980. Holders of record of Common Stock of the Company are entitled to exchange their shares of Common Stock for \$13.00 in cash per share, as provided under the terms of the merger.
As a consequence of such merger, holders of the 51% Subordinated

Guaranteed Debentures Due 1988 (the "Debentures") issued pursuant to the Indenture dated as of November 1, 1968 (the "Indenture") between Ward Foods Overseas Capital Corporation N.V. ("Ward Foods Overseas"), the Company, as Guarantor, and J. Henry Schroder Bank & Trust Company, as successor Trustee, are entitled to convert Debentures into \$302.25 in cash per \$1,000 principal amount of Debentures. This amount was calculated by taking the number of shares of Common. Stock of the Company into which the Debentures would have been converted prior to the merger (that is, \$1,000 divided by \$43.01 per share, the conversion price at the time of the merger), and multiplying that number of shares, 23.25, by \$13.00. As a further consequence of the merger, the Debentures become no longer convertible into shares of Common Stock of the Company.

The Company and Ward Foods Overseas believe that Section 4.06 of the Indenture specifically provides for the effect of the merger upon the conversion rights as above described. Accordingly, no approvals were obtained from holders of Debentures or the Trustee. The Trustee has not. been a party to action taken by the Company and by Ward Foods Overseas in connection with the merger and has not taken a position with respect to the matters discussed in this notice.

Any holder of Debentures may receive further information relating

to the foregoing by requesting such information from the successor Trustee under the Indenture J. Henry Schroder Bank & Trust Company, One State Street, New York, New York 10015, Attn: George R. Sievers, First Vice President.

Ward Foods, Inc.

NECESSION PA

PAR A ERBTON

This advertisement appears as a matter of record only.

Dated: March 2, 1981

Sociedad Española de Automóviles de Turismo, S.A. (SEAT)

U.S.\$175,000,000

Medium Term Loan

Instituto Nacional de Industria (INI)

managed by

Manufacturers Hanover Merchant Banking Group Chemical Bank International Group Marine Midland Limited Seattle-First National Bank National Bank of Canada Security Pacific Bank The Tokai Bank, Limited Wells Fargo Limited

Irving Trust Company

Republic National Bank of Dallas

Chemical Bank Sucursal en España Manufacturers Hanover Trust Company National Bank of Canada New York Agency Seattle-First National Bank The Tokai Bank, Limited Marine Midland Bank, N.A. Security Pacific Bank Wells Fargo Bank, N.A. Irving Trust Company Republic National Bank of Dallas The Hokkaido Takushoku Bank, Ltd. New York Branch The Taiyo Kobe Bank, Ltd. Banca Nazionale del Lavoro Los Angeles Branch (Overseas) The Bank of New York Bayerische Hypotheken-und Wechsel-Bank Aktiengesellschaft New York Branch The Commercial Bank of Australia Limited Grand Cayman Branch Harris Trust and Savings Bank The Northern Trust Company The Riggs National Bank of Washington, D.C. National Bank of North America Shawmut Bank of Boston, N.A. American Fletcher National Bank and Trust Company Banco Portugues do Atlantico

Central National Bank in Chicago The National Bank of Australasia Limited Bancomer, S.A. Banco Totta e Açores European American Bank New England Merchants National Bank Bank Leumi le Israel Group Bank of New South Wales New York Branch City National Bank of Detroit Union Cheisea National Bank

Manufacturers Hanover Trust Company

February, 1981

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finished close to its best level of

the day.

Dollar maintained its recent firmer trend underpinned by high Euro-dollar interest rates. There was little in the way of fresh factors to influence trading, and lack of demand towards the end of the day saw the U.S. unit lose ground

European currencies again abropean currences again showed a weaker tendency against the dollar. Within the EMS, the Belgian franc was situated outside its 75 per cent warning bell "limit against the County of the Park" central rate while the D-mark continued to improve, to be placed as the second strongest currency behind the French franc. The Dutch guilder slipped to third place despite a one point increase in the Dutch discount rate to 9 per cent.
STERLING trade weighted index (Bank of England) fell to 98.7 from 98.9, having stood at 98.1 in the morning and 98.4 from its early lows, reflecting in part a turnsround in the dollar part a timeround in the dollar towards the end of the day. After opening at a low of \$2.1630, the pound rose to \$2.18, but slipped back later in the day to \$2.1730. As the dollar eased slightly, so starling came back to finish at \$2.1800-2.1810, a fall of 2.45c from Friday's close. Against European currencies sterling was largely

close. Against European currencies sterling was largely unchanged on balance. DOLLAR — trade weighted index (Bank of England) rose to 101.4 from 100.6. The dollar helped to avoid the often improved against most rumeured devaluation of the currencies, helped by higher franc so far. A recent recovery Euro-dollar rates. Three-month by the D-mark has also put deposits rose to 164-174 per cent further pressure on the Beigian from 16]-16] per cent and six- unit.

Sterling continued to suffer month to \$171-172 per cent from from expectations of a sharp 161-162 per cent. Against the Dudget, and was generally weaker overall. However, it did recover from the very low levels compared with Friday's close of seen in the Far East; and finished close to its next level of the finished at \$1.00 \text{Swiss frant terms}. it finished at SwFr 1.9880 against SwFr 1.9650, and Y211 from Y209.75 against the

D-MARK-A sharp rise in German interest rates coupled with earlier intervention by the Bundesbank, has led to 2 recovery by the D-mark. able interest rate differentials, and Germany's very large balance of payments deficits had pre-Piously combined so that the D-mark fell within the European Monetary System and against the However, market uncertainty continues, Germany's proximity to Poland remains a market factor.—The D-mark was slightly firmer within

the EMS yesterday, with trading bourg and parts of Germany. The French franc was lower at DM 42.54 per FFr 100 from DM 42.56, and the Belgian franc eased to DM 6.115 per BFr 100 from DM 6.118. On the other hand the Irish punt rose to DM 3.6560 from DM 3.6560. The dollar was fixed at DM 2.1516 compared with DM 2.1295, and there was no intervention by the Bundesbank BELGIAN FRANC-Very weak

within the EMS, leading to an upward trend in interest rates measures causing considerable industrial unrest. On the other hand Belgium's severe economic problems are shared by other European countries and this has

EMS EUROPEAN CURRENCY UNIT RATES

1		rates	March 2	tajs Central	divergence	Divergence limit %
	Belgian France Danish Krone German D-Yark France France Outch Guilder Irish Purral Italian Lira	39.7677 7.72356 2.48208 5.84700 2.74362 0.668201 1157.78	41.8579 7.96329 2.54518 5.96548 2.81827 0.894193 1225,44	+4.70 +3.11 +2.54 +2.37 +2.72 +3.29 +5.93	+1.77 +0.12 -0.45 -0.62 -0.27 +0.90 +3.15	±1.53 ±1.64 ±1.125 ±1.3557 ±1.512 ±1.688 ±4.08
			CU, therefore p fjustment calcu			

THE POUND SPOT AND FORWARD

March 2	Day's Spread	Ciose	One month	% p.a.		p.a.
U.S.	2.1630-2.1830	2.1800-2.1810	0,40-0,50c dis	-2.48	2.35-2.45dis	-4.40
Canada	2.5100-Z.625D	2.6230-2.6240	0.70-0.80c dis		3.00-3.20dis	-4.73
Nethind.	5,15-5,20	5.17'y-5.18'y	1½-½C pm		14-4 pm	0.97
Belgium	76,10-76.90	76.70-78.80	19c pm-par		17-27 dis	·-1.15
Denmark	14.57-14.71	14.687,-14.697	24-230re dis		24-34 dis	-6.96
Ireland	,1,2720-1,2830	1.2812-1.2822	0.02-0.16p dis		0.53-0.71dis	-1.93
W. Gar.	4.65-4.71	4.69-4.70	an par-1, dis		par-1 dis	-0.43
Portugal	124,00-125,30	125.00-125.20	35c pm-60 dis		par-165 dis	-2.84
Soula	150.00-191.20	190.85-197.05	20c pm-per		180-235 dis	-4.35
liziy	2 245-2 263	2,260 2,262	4 - Balica dis		281,-311, die	-6.31
Nerway	11.89-T2.00	11.91-11.93	2-1-ore pm		hom-1 hdis	-0.29
France.	10.45-11.06	11:043-11,05%	ל- om-ל dis		5'2-6'4 dis	-2.26
Sweden	10.13-10.19	10.171,-10.181,			83-94 dis	-3.59
Japan	457-465	4591, 4607	2.70-2.45y pm		5.30-4.65 pm	
Austria	33.00-33.30	33.23-33.28	5-1gro pm		1 pm-9 dk	-0.48
Switz.	4,31-4.35	4.323-4.333	23-13c pm		34-24 pm	3.00
Я	elman téte is :	or convertible	france Financial	1	50 35.70 AS	

Six-month forward dellar 5.35-5.45c dis. 12-month 8.50-8:70c dis THE DOLLAR SPOT AND FORWARD

March 2	Day's Spread	Close	One month	9;. p.e.	Three months	7 <u>4</u> p.a.
UKI	2,1830-2,1830	2.1800-2.1810	0.40-0,50c die	-2.48	2.35-2.45dls	-4.40
l reland t	1.8990-1.7080	1.7015-1,7035	0.15-0.25c dis	-1.41	0.95-1.10dis	-2.41
Canada .	1.2025-1.2017	1.2030-1.2033	0.05c pm-par	0.25	0.03-0.08dis	-0.18
Nethind.	2.3785-2.3860	2 <u>3825-23855</u>	1.17-1.07c pm	5.64	3,30-3.20 pm	5,45
Beigigm	35.19-35.30	35.1 9. 35.21	13-11c pm		31-28 pm	3.34
Denmark	8.7200-6.7570	6.7520-6.7570	1.85-1.35ore pm	2.84	5.50-5.00 pm	3.11
W. Gat.	2.1450-2.1600	2.1520-2.1530	0.50-0.35c pm		1.75-1.60 pm	3.11
Portugal	57,25-57,55	57.40-57.55	25c pm-15 dts		60 pm-25 dis	1.22
Spain	87.50-87.75	87.55-87.65	25-5c om		15 pm-10 dis	
tialy	1,035-1,039	1,037-1,039	1-1lice dis	-0.72	212-312 dis	-1.16
Norway	5,4850-5,5070	5.4650-5,4700	2.20-1.70ore pm	4.28	6.00-5.50 pm	4.21
França	5.0475-5.0760	5.0850-5.0700	1.17-1.07c pm	2.65	3,00-2.80 pm	2.28
Swaden	4.6675-4.7225	4.6725-4.6790	0.25-0.05pre pm	0.38	0.65-0.45 pm	0.47
Јарап	210,75-212.00	210.95-211.05	1.56-1.40y pm		4.55-4,40 pm	
Austria	15.22 ¹ -15.29	15. 2 7-15. 2 9	5.30-4.00gro pm		17.00-13.50pr	
Switz.	1.9840-1.9960	1.9855-1.9865	1.35-1.25c pm	7.85	3,70-3.60 pm	7.35

2125001114 =PP	, in the Cis. dollar	2110 HOL 10 1	ile ma	1410001 CO.	
CURRENCY	MOVEMENTS	CURF	RENC	Y RA	TES
Mar. 2	Eank of Morgan England Guaranty Index Changes	Feb. 27	Bank rate	Special Drawing Rights	European Currency Unit
Washington agreen	101.4 -3.0 85.0 -18.5 115.0 +22.0 107.2 +9.3 89.1 -10.2 119.7 +39.4 131.9 +72.5 112.0 -15.3 86.0 -10.2	Sterling	15 17.08 65 12 11 74 8 91 ₂ 161 ₈ 71 ₄ 9	18.4312 42,5824 8,15010 2,60497 2,88266 6,12374 1254,78	0.544142 1,19385 18,032 41,6533 7,95998 2,54660 2,81630 5,98476 1224,89 250,111 6,51363 103,590 2,34710 61,2205

OTHER CURRENCIES

Mar. 2	£	\$		£ Note Rates
rgentina Peso	4911-4951	2255-2265	Austria	32,85-33,25
ustralia Poliar razii Cruzeiro	155,50-158,50	0.8685-0.8690 71.61-71.87	Denmark	77,70-78,50 14,55-14.70
inland Markka reek Drachma		4.1190-4.1210 51.75-51.90	France	10.94-11.04 4.66-4.703
ong Kong Dollar an Rial	11.674-11.691	5.3575-5.3625	Haly	2250-2350 459-465
trwait Dinar(KD)	0,594-0,600	0,2749-0,2751	Netherlands	5.1512-5,2012
uxembourg Fre. Ialaysia Dollar	5.0410 5.0530 i	2,5135-2,3175	Norway Portugal	11.95-12.07 121-127
ew Zealand Dir audi Areb. Rival		1,0925-1,0935 3,3390-3,3430	Spain, Sweden	184 4-195 10.14-10.24
ingapore Dollar. th African Rand	4.5845-4.5945	2,1040-2,1070 0,7890-9,7900	Switzerland	4.301g-4.35 2.163g-2.183
A.E. Dirham	7,95-8,01	3,6720-3,6740	Yugoslavia	78-81

			RATES

Mar. 2	PoundSterling	U,S, Dollar	Deutschem k	Japan'se Yan	FrenchFranc	Swiss Franc	Outch Guild	Italian Lira	'Canada Dollar	Pelgian Franc
Pound Starling	1	2.161	4.695	450.0	11.053	4,338	5.180	2252.	2,624	76.75
U.S. Dollar	0.459	1.	2.153	211.0	5.069	1,987	2,376	1037.	1,205	35.20
Deutschemark	0.213	0,464	10,21	97.98	2,354	0.923	1.103	481.7	0,559	16,35
Japanese Yen 1,000	2.174	4,740		1000.	24,03	9,418	11.26	4916.	5.703	166,8
French Franc 10 **	0.905	1,973	4,248	415.2	10.	5.920	4.687	2046,	2,374	59.44
Swiss Franc	0.231	0,503	1,084	106.2	2,551	1.	1.126	522,0	0,606	17.71
Dutch Guilder	0.193	0.421	0.906	88.80	2.134	0.836	1	436,6	0,506	14,82
Haliah Lira: 1,000	G.442	0.964	2.976	203.4	4.887	1,916	2,291	1000.	1,160	53,94
Canadian Dollar Belgian Franci 100	0.381 1.303	0,831 2,841	1,790 6,117	175,3 599.3	4,213 14,40	1,651 5,645	1.974	852.0	I.	29,25

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Mar. 2	Starling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franci Convertible : Japanese	Yen
Short term 7 days' notice. Month 7. Three months 7. Six months 7. One Year	17-171e 14-141 127 ₈ -13 127 ₈ -125a	15%-15% 151-15% 161-1612 1618-1718 1718-17% 164-1612	16-17 16-17 165 ₄ -171 ₈ 163 ₄ -171 ₈ 163 ₆ -163 ₄ 165 ₈ -163 ₄	104-1034 1012-11 11-1114 1152-1158 1159-1159 1156-1169	11-1112 914-954 9 15-915 915-914 912-915 854-875	121g-13 133g-133g 137g-141g 135g-141g 131g-135g 121g-125g	12-121 ₂ 131 ₂ -14 14-141 ₂ 14-141 ₂ 14-141 ₂	15-17 16-18 1654-1754 1712-1812 1814-1914 1814-1912	71g-81g 81g-83 91g-101g 81g-83 126g-127g 81g-83 131g-135g 86g-86 133g-137g 81g-81 133g-14 84g-86	ig 14 16 16

SOR linked deposits: one-month 14-14's per cent; three-months 14'-14', per cent; six-months 14'-14', per cent; one year 13'-14's per cent.

Asian S (closing rates in Singapore): one-month 18-16's per cent; three-months 16''s 16''s per cent; six-months 17'-17's per cent; one year Long-term Eurodollars two years 15'-15's per cent; three-years 15'-15's per cent; five years 14'-15's per cent; nomin Short-term rates are cell for U.S. dollars. Canadian dollars and spenses yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.90-16.00 per cent; three-months 16.35-16.4 months 16.45-18.55 per cent; one year 15.90-16.00 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 2)

2 months (i.S. dollars	6 months	U.S. dollars
bid 16 15/16	offer 17 1/16	bid 17.8/16	offer 176/16

at 11 am each working day. The banks are National Westminater Bank, Bank o Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust

INTERNATIONAL MONEY MARKET:

Europe rates firm

Interest rates continued to rise in Europe yesterday. In Frankfurt call money was quoted as high as 30 per cent at one time compared with 15-20 per cent on Friday. This was described as a temporary phenomenon by Herr Otto Lambedorff, West German Economies Minister, who pointed towards the possibility of the Bundesbank making funds available by re-opening its Lombard window, the latter having been shut since last Thursday. Others speculated that borrowings through Lombard would not be re-introduced just yet.

The payment of Petrol re-introduced just yet, especially after yesterday's inter-vention in the market by the

Bundesbank.
In Amsterdam the Dutch
Central Bank increased its discount rate to 9 per cent from 8 per cent in response to the general rise in other European interest rates, notably in West Germany, France and Belgium. At the same time the rate at which the central bank lends funds to the money market was increased to 10 per cent from 9 per cent. Dealers pointed out s per cent. Dealers pointed out that money rates have been discount houses and banks. In above the official discount rate above the official discount rate discount houses and banks. In the some time, and yesterday's entirely the authorities opened up the nove was not entirely little used "discount window" little used "discount window"

unexpected.

In Paris call money fell to and lent an exceptionally large latter paid 14 per cent for large per cent from Friday's amount to 12 or 13 houses at what secured money they could seven-month high of 13 per cent, while louger term rates remained firm Although short-

MONEY RATES NEW YORK

Fed Fund Treasury Bills (13-week) Treasury Bills (26-week)	14.43 14.43
GERMANY Discount Rate Overnight Rate One month Three months Six months	7.5. 26 — —
PRANCE Discount Rate Overnight Rate One meath Three months Six months	13,8125

(APAN 7.25
Discount Date 7.25
Cell (Unconditional) 8.5625
SUI-Discount (three-manth)

The payment of Petrol Revenue Tax was the principal factor behind a record shortage in the Londor money marker yesterday, and the authorities gave assistance on an exception-ally large scale, which at a conservative estimate totalled around £1.25bn. The help comprised very large purchases of eligible bank bills outright, and a further very large amount for resale at fixed future dates.
The Bank also bought small amount of Treasury bills and local authority bills both from

GOLD Sharp

fall

Gold fell sharply in the London bullion market yesterday in the absence of any real démand, and closed \$24 an ounce down from Friday at \$465-488, its lowest closing level since mid-December, 1979. A firmer trend in the U.S. dollar and a continued rise in interest rates

vere seen as the main factors In Paris the 12½ kilo bar was fixed at FFr 85,500 per kilo (3525.87 per ounce) in the arternoon, compared FFr 85,500 (\$528.33) in morning, and FFr 86,000 (\$534.33) on Friday afternoon. 86,000 In Frankfurt the 121 kilo bar was fixed at DM 32,930 per kilo (\$475,96 per ounce) against DM 33,685 (\$492.31) previously, and closed at \$464.467, from In Zurich gold finished at \$464.487, compared with \$488.491

·· <u>l</u>	Mar, 2	Feb. 27			
	Gold Bullion (fine	ouncel			
Close	5.458 (2213-214) 2.475 (22173-219 5.50 (2217.840) 5.50 (2213.630)				
1/2 Kugerrand	5-127 (£5714-5814) 5-3 (£231, 2414) 5-477 (£31734, 31814) 7-116 (£5312-54) 1-145 (£56-67) 1-145 (£56-67) 1-178 (£7834-8114) 1-590, (£25814-97014)	\$152-154 (260-60%) \$551 ₂ -571 ₂ (2814-26) \$505-5061 ₂ (22291-830) \$123-124 (2553-454) \$147-149 (2573-454) \$147-149 (2573-484) \$168-171 (2764-771 ₂) \$612-516 (22773-2793-2793-216-218)			

MLR, for repayment in seven find. In the interbank market and eight days time. overnight loans opened at 18-181 per cent and rose before the The cut in banks' reserve asset forecast to 20-22 per cent. Towards noon rates touched ratios to 8 per cent from 10 per forecast to 20-22 per cent cent effective from today Towards noon rates touched prompted banks to draw funds 23-25 per cent, but then rose from discount houses, and the sharply to a high of 50 per cent before coming back to close at what secured money they could 17 per cent.

LONDON MONEY RATES

POHOOM	mone.		<u> </u>	. <u> </u>		·				
Mar. 2 1981.	Starling Certificate of deposit	Interbank		Local Auth negotiable bonds	Finance House Déposits	Сотприлу	Discount Market Deposits	Treasury	Elegible Sank Bills ē	Fine Trade Bills \$
Overalght	14-13% 13-12% 12%-12% 12%-12% 12%-12%	17-50 17-18 143-145- 151-151- 125-151- 121-121- 121-121- 121-121-	1554-1654 , 15-17 141 ₈₋ 1414 1254-1276 12-1814 1814-1814 1814-1814	1514-1418 1312-13 1234-1218 1234-1218 1232-1218 1232-1218	15 1456 1314 1318 1256 1256	1434-147g 1358-1534 1358-1534 1258-1234 1212-1258	184-181 ₂ 115-12	132-124 112-12	1514-1578 1273 1173-1174 1174-1119	157g 13 125g 12

Local authorities and finance houses saven days', notice, others saven days' fixed. Long-term local authority mortgage retas nominelly three years 13 per cent; four years 13 per cent; five years 132-133 per cent. OBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 112-117, per cent; four-month trade bills 113-117.

12" per cent.

Approximate selling rate for one-month Treasury bijls 12" 12" per cent; two-menths 12" per cent; two-months 11" per cent; two-months 11" per cent; one-month trade bilts 13" per cent; two-months 12" per cent and three-months 12" per cent; two-months 12" per Finance Houses Base Rates (published by the Finance Houses Association) 14 per cent from March 1, 1931.

Finance Houses Base Rates (published by the Finance Houses Association) 14 per cent from March 1, 1931.

Clearing Bank Deposit Rates for sums at seven days notice 112-12 per cent. Glearing Bank Rates for lending 14 per cent.

Clearing Bank Rates for lending 14 per cent.

WORLD VALUE OF THE POUND

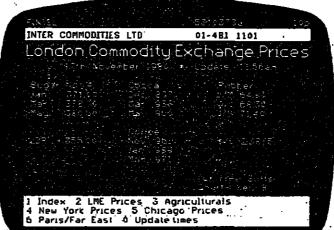
except where they are shown to be officed quotation available; (F) free (Bk) bankers' rates: (cm) commercial rate; (P) based on U.S. dellar parities rate; (ch) convertible rate; (fn) finan-base been calculated from those of and going sterling/dellar rate; (S) call rates: (exC) exchange certificate foreign currencies to which they are member of the sterling area other than rate; (S) Scheduled Territory; (nc) non-tied.

Abbreviations: (A) approximate rate, (Bas) basic rate; (bg) buying rate: The table below gives the latest evailable rate of exchange for the pound ageinst verticus currencies on March 2, 1981 in some cases

PLACE AND LOCAL		ALUE OF STERLING	PLACE AND	LOCAL UNIT	VALUE OF £ STERLING	PLACE AND	LOCAL UNIT	VALUE OF £ STERLING
Afghanistan		112.00	Greenland	Danish Kroner	14.6925	Peru,	. Sol	exc (A)811,33
Albania Lak	5	9.85	Grenada S	. E. Caribbean 8	5.90	Philippines	Philippine Peso	16.23
Algeria Dinar		8,8470	J Guadaloupe,	Local Franc	11.0525	Pitcairn Islands (8)	'£ Sterling	;
AndorraSpan	ch Franc	11.0525		U.S. S	2,1805	FILLERITH INICIALITY (OF	New Zealand \$	2,3845
Span	ish Peseta	190,95	Guatemala	Quetzal	2.1805	Poland		'Cm)76.18
Angola Kwanz	;(Ci	M1 69.794	i Guinaa Rebublic	Svli	43,65			· (†)76.18
_	<u>*</u> _ (T)	72,237 5.90	Guinea Bissaui	Peso	. 77.82	Portugal	Portugu'se Escudo	125,10
Antigua :S E. Cari	ppesu 2	4,921.0	Guyzna (S)	Guyanese \$	5,\$5	Puerto Rico		2.1805
Argentina Ar. Per	p Free HATE	1.8950	Haiti	Gourd	10,9025	Qatar (5)	. Qatar Ryal	7,91
Australia (8) Australia	ilan ə.	33,25	i Honduras Rapub	Lempire	4.37	Reunion lie de la	. French Frenc	11.0525
Austria Schillir	ig teendo	125.10	Hong Kong (Si	H.K. S	11.6825	Romania	Leu	; /(Cm/10,51·
Azores Portug	n se cacono		Hungary	Forint	(com: 75,1488			(In/c) 25.85
Sahama1 Si Bo. Do	ller	2.1805			: i(T)(nc) 67.0857	Rwanda		204.665
Bahrain IS: Dinar		0,818	leetand (Sh	i. Krona	14.912(1)	St. Christopher (S)		· 5 <u>.9</u> 0
Balearic Isles Spa. Pe Bangiadesh Si Taka	eseta .	. 1 90,9 5	India (\$)	Ind. Rupee	17.90	St. Helena	. St. Helena Ľ	1.0
Bangladesh (Si Taka		38 90	India (8)	Rupiah	1,362.80	& Lucia	E. Ceribbean S	5,90 .
Barbados S Babado		4.3610	iran	Rial	166.0 1897	St. Pierre S. Vincent (S)	. Local Franc	11.0525 5.90
Belgium, B. Fran	C (C)	m) 76.75 1: 78.40	Iraq	Iraq Dinar	0.6499	Salvador El	. c. Caribbean s	5,45
•	·	4,3610	Irish Republic (k)	Mish E	1.2817	Samoa American	II S S	2,1805
Belize B 8 Benin G.F.A.	Frenc	552,625	israel	Snekel	19,155 2,261,5	San Marino	italian Lira	2,361,5
Bermuda iSi. Bda \$	Idilo	2.1805	italyivory Coast	CEA Franc	552,625	i 580 Tros&Princips	e Dobra.	B5.03 .
Budgen Indien	Rupee	17,90	Jamaica (S)	lemaice Dollar	3.8890	Saudi Arabia	. Ryal	7.25
Schvia . Solivia	n Peso	54,45	Janon	Van	460:0	Senegal	.C.F.A. Franc	552,525
Cotswana (S) Pula		1,6875	Japan Jordan (5),	Jorday Dinar	0.694(sg)	Seychelles	. S. Rupee	14.85 sg. 2.4766
Drazii		156.10	Kampuchea		2,616,6	Sierra Leona (S) Singapore (S)	Cinggooge S	4.5895
Brit, Virgin Isles St U.S. S Brunei (St Brune)		2,1805 4,5895	Kenyo (\$)	Kenys Shilling	18.08	Solomon islands (S	i Solomon Is. S	1.7850
Bulgorio Lev	•	2.1328	Kenya (S) Kiribati Korea (Nth)	Australian S.	1.8950	i Somali Republic	. Somali Shilling	(A)15.15
Bulgaria Lev Burma Kyat		14,67	Korea (Nth)	Won	2,22(1))	I Smith Africa (S)	Dend	1.7215
Burundi Burund	i Franc	217,22	Korea (Sth)	Won	1.476.28	South West African	1	:
CamerosnRepublic C.F.A.		552.625 ·	Kuwait	Kuwait Dinar	0.597	Territories (S)	.S. A. Rand	1,7215
Canada Canadi		.6235	Laos	New Kip	21.805	Spain	. Peseta	190,25
Canary Islands Spanish		190.95	Lebanon	Lebanese £	: 8.5965	Spanish ports in		
Cape Verde isle. Cape V	. Escudo	79,52	Lezotko .,	Loti	1.7216	North Africa	Pesota .	1909.5
Cayman Islands (\$: Cay, 1s.	5 1	1.8170	Liberia	Liberian \$.	2.1805	Sri Lanka (S) Sudan Republic	Suden E (1)	38.63 1.09
Cent. Af. Repub C.F.A. F	franc : 5	552,625	Libya	Libyan Dinar	0,6455	Sudan Republic	Sudan £ (2)	1.74
Chad C.F.A. f	ranc E	552,625	Liechtenstein	SWISS Franc	4.3325	Surinam	S. Guilder	3.9030
China C. Peso China Renmin	· · · · · · · · · · · · · · · · · · ·	ki 84,92	Luxembourg		75,75	Surinam Swaziland (S)	Liangeni	1.7125
Colombia	IDI YUAN S	5,5894 112.62	Macao Madeira.	Pataca	11.55	Sweden	S. Krona	10.16 ·
Colombia C. Paso Comoro islands C.F.A. F	IFI	52.625	Madeira	Portug se Escudo	125,10	Switzerland	Swiss Franc	4,3325
Congo Brazaville C.F.A. F	ranc 5	552.625	Malagasy Republic	MG Franc	552,625 1.8650	Syria	Syria £	, IAIB.56
Costa Rica Colon	.=	18,75	Malawi S	KWEGNE	5.0470	Tarwan	New Talwan 8	78.50
Cuba Cuban i	Peso 1	1,6830.	Malaysia (S: Maldiye Islands (S:	Mai Bures	8.5595	Tanzania (S)	Tan. Shilling	18.10
Cyprus (S) Cyprus	£ 5	0.8650	Mali Republic	Mali Franc	1,105.25	Theiland	CEA Franc	44,47 553,625
	100	m: 14,00	Maii Republic, Malta (\$) Martinique	Maitese £	0.831	Tonga Islands (8)	U.F.A. Franc	1.8950
Czechoslovakia Koruna	√ <u>n'c</u>	24.38	Martinique	Local Franc	11,0525	Trinidad (\$)	Trinidad & Tob. 8	5,2333
		23.80	Mauritania	Ougulya .	107,32	Tunisia	Tunisian Dinar	0.935(sg)
Denmark Danish	Krone 1	4.6925		м. кирее	17.70	Turkey	Turkish Lira	213,84
Dilbouti Fr.	3	60 sg:]	Maxico	Mexican Paso	51.30	Turkey Turks & Calcos	. U.S. \$	2,1805
Dominica (S) E. Caril Dominican Repub. Domini	obean S 5	3.90	Miquelon	C.F.A. Franc	552.625	Tuvalu	. Australian S	1,8950
Pominican Kepub. Domini		2.1805	Monaco	Transit	11,0525	Uganda (S)	Uganda Shilling	18.08
Ecuador Sucre	:101	54.38	Monteerrat.	E. Caribbaan S	5,90	United States	. U.S. Dollar	2,1805
	(IF)	64.84	Morocco	Dirham	10.25(sg)	Uruguay	Uruguay Peso	(cm:22,39
Egypt Egyptia	ıπ ≠ (U)	1,5325 381,9	Morocco	Metical	64,60	Utrl.Arab Emirates	_	7.98
Equatorial Guinea. Ekuele		4.4350				U.S.S.R.		1,5620
Ethiopia Ethiopi	an 19151 ; (P)	7,7000	Nauru	Australian Dollar	1,8950	Upper Volta	C.F.A Franc	552,625
Falkland Islands: Si Falklan	d la. £ ! 1	i.o 1	Nepal	Nepalese Rupes	26,14 5.18		Vata	
Farce Islands Danieir	Krone 1	4.6925	Notherlands NetherlandAntilles	Aptillian Cuilder	5.9030	Vanuatu	Aust Dollar	165(sg) 1.8950
Fiji Islands Fiji S		.7950	-		. 0,5000			
Finland Markka	8	.9815	New Hebrides	See VANUATU		Vatican	Tellan Lire	2,261.5 9.34
France French	Franc 1	1.0525	New Zealand (S)	N. Z. Dollar	2.3845	Venezuela		(0)4.7480
FranchC'tyin Aff C.F.A. F	ranc 5	52,625 1,05 2 5	Nicaragua	Cordoba ·	21,775	Vietnam	Dong	(C)5.44(11)
French Guiana Local F French Pacific Is C.F.P. F	rand I	1,U389 06	Niger Republic	C. F. A. Franc	552,625	Virgin Islands U.S.	U.S. Dollar	2,1605
			Nigeria (S)	Naira	1.257479 (88)	Western Samoa S.		2.0220
Gabon C.F.A. F		52,625	Norway	Norway Krona	11.92			9.82(50)
Gambia (S) Dalası		.0	Oman Sul'ate of S		: 0.751	Yemen (Nth)	nya: 9 Yaman Dine-	9.02(sg) (A)0.7440
Germany (East) Ostmar	R 4	,695 .695			21.32	Yemen (Sthr Yugoslavia	V. Temen Ullial	707248
Germany (West: Deutsci Ghana (8) Cedi	ICMATE ! 4	.095.	Pakistan	rakisian kupad Ralboa	2,1605	Zaire Republic	row i siliti	6.865230
Gibrattar (K) Gibratta	ar£ 1	.05	Papua N.Guinea(S)	Kina	1.4425	Zambia	∠eura Kwacha	1,8150
Gibraltar (K Gibralta Greece Drachn	na 1	11.8365	Paragua y		274,36	Zimbabwe	Zimbabwe S	1.4135
*That part of the Fran	ch community in	Africa fors	nerly Franch West	Alrica or Franch E	quatorial Africa.	† Rupees per poun	d. ‡ General retes	of oil and iron

«ports 91.60. ** Rate is the transfer market (controlled), -†† Rate is now based on 2 Barbados \$ to the dollar, 11 Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and who are not members of IMF. -(f) Based on gross tates against Russian rouble. (1) Official rates for government transactions and specified exports and imports. (2) Parallel rate for non-government transactions and nonspecified exports and imports. § One new Krona=100 old Kronur.

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Companies and Markets			<u> </u>	VUK	TD 2100	
NEW YORK	Feb. Feb. Feb. Stock 27 26	Stock	Feb. Feb. 27 26	Stock	Feb. Feb. 27 26	Feb. Feb.
Stock Feb. Feb. 27 25	Columbia Gas 3534 3438 Columbia Pict 40 4019 Combined Int 1719 1718	Gt. Atl. Pac. 7 Gt. Basins Pet Gt.Nthn.Nekoo	1268 1268	Mesa Petroleum MGM	878	Schiltz Brew J 101 ₈ 101 ₈ Schlumberger 1091 ₂ :1091 ₄ SCM
ACF Industries 4978 4978 AMF	Combustn. Eng., 421; 401s Cmwith Edison., 183s 183s Comm. Satellie., 421s 423s	Gt. West Finan Greyhound Grumman	155a 1534 17 165a 2414 2412	Militon Bradley Minhesote MM Missouri Pag	3016 2856 6254 6518 7954 8012	Scott Paper
ARA 533, 34 ASA 453, 4638 AVX Corp 311g 3034 Abbotts Labs 597g 5912	Comp. Science 161 ₂ 161 ₂ Cone Mills 374 374	Guif Oil	70	Mobil Modern Merchg Mohasoo Monarch M/F	1011 1078 1134 1112 2212 2258	Sealed Power 2018 2018 Searle (GD) 2738 27 Sears Roebuck; 154 1538
Acme Cleve 2434 25 Adobe Oil & Gas. 3678 3649 Astra Life & Gas. 3218 3214	Conco,	Hall (FB) Halliburton Hammermiji P Handleman	pr. 315g 316g	Monsanto Moore McCmrk Morgan (JP)	755g 754 51 504 55 544	Seatrain Lns 05g 05g Security Pac 3734 381g Sedco 41 8734 Shall Oil 4753 467g
Ahmanson (H. F.) 183a 183a Air Prod & Chem 423a 425a Akzona	Cons Edison	Hanna Mining Harcourt Brac Parmischfedar	31% 32 :e 384 38 - 161a 165a	Motorola Munsingwear Murphy (GC) Murphy Oil	1558 1554	Shell Oil
Alberto-Culy 1334 1319 Albertson's 2218 22 Alcan Aluminium 3356 3314	Consumer Power 1634 1678 Cont Air Lines 1159 1134 Conti Corp. 24 2358	Harris Banco Harris Corp Harsco, Hecia Mining	40 394	Nabisco Naico Chem	29 2854 54 5318	Signode
Alco Standard 3414 3412 Alcoheny Ludm 4334 4414 Allied Chemical 5314 5378	Conti Group 3412 5518 Conti Illinois 3454 3478 Conti Telep 1534 1538	Heinz (Hj) Helier (ntl Hercules	51 50 ⁵ 4 22 21 ³ 4 25 ¹ 4 24 ³ 4	Napco Industries Nat. Can	223, 221s 264 264	Skyline 1518 1478 Smith Intl. 56 55 Smith Kline 7419 743
Allied Stores	Cooper Inds 4534 : 4514	Hershey Heublein Hewlett Pkd Hilton Hotels	2978 30 871 ₂ 864 ₈	Nat. Gypsum Nat. Medical Em Nat. Semicductr	205g 2054 3834 3714 3018 2914	Sonesta Intl 3014 3014 Sony 16:8 1738 Southeast Bankg 1934 1912
Alcoa	Coors Adolph 141d 144d	Hitachi 	6134 62	Nat. Service Ind. Nat. Standard Nat. Steel Natomas	141 ₈ 141 ₈ 251 ₈ 255 ₈	Sth.Cal.Edison 244, 233, Southern Co 115a 111g Sthn. Nat. Res. 685a 671g Sthn N. Eng. Tel. 343, 3434
Amerada Hess 565s 344s Am. Airines 1134 117s Am. Brands 7034 7014	Copperweld	Hobart Corp Holiday Inn.s. Holly Sugar	245 ₈ 23 465 ₄ 47	NCR	1478 1454	Sthn Pacific
Am. Broadcast'g 301 ₂ 293 ₄ Am. Can	Crooker Nat 3878 3878 Grown Cork 3214 3258 Crown Zeii 50 4834	Homestake Honeywell Hoover Hoover Univi Hormel Geo Hospital Corp.	12åt 12le	New England El. NY-State E & G., NY Times Newmont Mining	30 lg 2978	SW Bancshares. 37 ¹ 4 37 ¹ 2 Sperry Corp. 556a 6514 Spring Mills 1818 1814 Square D 55 3334 Square D 2944 2958
Am. Express 4414 4378 Am. Gen. Inence. 3718 3614 Am. Holst & Dk. 1958 1914 Am. Home Prod. 3118 30	Curtiss-Wright 34 3312 Damon 914 94 Dana 2658 2654	Household Fin Houston Inds.	16 4 16 4 25 2 25 4	Nieg Mohawk Nicor Inc Nielsen (AC) A NL Industries	115g 111g 42ia 415e	Standard Brands 266g 261g
Am. Hosp. Suppy. 4512 4552 Am. Medical Intl. 374 3714 Am. Motors 4 4	Data Gen	Houston Mt Ga Houston Oil Mi Hudson Bay M Hughes Tool	n 49 4834 ng 2478 25	Norfolk & West	. 1 42 42 64	St'd Brds Pant 25½ / 255a Std O'il Clifornia 91½ / 99½ Std Oil Indiana 6754 / 56¼ Std Oil Ohlo 59 / 58
Am. Nat. Resces. 444 4512 Am. Petfina 7112 7113 Am. Quasar Pet. 28 2778	Deere	Humana Husky (Oli	3414 34	Nth. Am. Coal Nth. Am./Philips. Nthn. State Pwr. Northgate Exp	40% 401, 20% 2012 6% 578	Stanley Wks 1932 1934 Stauffer Chem 25 2574 Starling Drug 2114 2034 Stavens (JP) 1434 1412
Am. Stendard 3544 3514 Am. Stores 2258 2314 Am. Tel & Tel 5114 5114 Amfac 2514 2634	Dentsply Intl 165g 161g Detroit Edison 115g 115g Diamond Intl 344 34	Hutton (EF) IC Inds INA Corp IU Int	314 304 384 374	Northrop Nwest Airlines Nwest Bancorp Nwest Inds	291 ₈ 281 ₄ 297 ₈ 296 ₈ 375 ₈ 377 ₈	Stevens (JP)
AMP	Diamond Inti	ideal Basic Ind Ideal Toy ICI ADR Imp Corp. Am	1 25 254 44 45	Nwesth Mutual Nwestd Steel W. Norton Norton Simon	10 954 2234 2234 521 ₈ 5134	Superior Oil 214 215 Super Val Strs 3278 3278 Syntex 5768 5834
Anheuser-Bh 345e 5334 Arcata	Dillon	Ingersoil Rand	7218 7178 3078 3078	Occidental Pet	2954 294 324 3214 2510 2510	TRW 581a 557s Taft 277s 277 Tampax 3014 2914
Armstrong CK. 151s 1512 Assurers Oil. 1418 1412	Dover Corp 58 5414 Dow Chemical 3678 3754	Interiake Interiake InterNorth	31½ 305a	Ohio Edison Olin Omark Oneok	2314 2234	Tandy
Asarco 353 348 Ashland Oil 291 30 Asad D Goods 261 262 Atlantic Rich 5878 5718	Oresser 457s 4614 Dr. Pepper 131s 131s Duke Power 161s 161s Dun & Brad 59 586s Du Pont 485s 49	inti. Flavours int.Harvester	197g : 191 ₂ 186g 186a	OutboardMarine Overseas Ship, Owens Corning	4112 4139	Tesora Pet
Auto-Data Prg. 4934 5014 Avco. 261g 26 Avery Inti. 2214 225g	Du Pont	int. Income Pro int. Paper Int. Rectifier Int. Tel & Tel	464g 471g 151g 15 286g 285g	Owens Illinois PHH Group PPG Inds Pabst Brewing	305g 30 444 43	Texas Gas Trn 335s : 337s Texas Instrmts. 1115s :109 Texas Oil & Gas : 357s 3554
Avnet	Easco	iowa Beef Irving Bank James (FS) Jeffn-Pilot	2234 2258	Pac. Gas & Elect Pac. Lighting Pac. Lumber	2078 2018	Texas 'Utilities 167g 177 Texasgulf 471g 1714 Textron 29 281g Thermo Electro. 3234 311g
Bait, Gas & El 211 ₅ 21 Bangai Trist 251 ₂ 25 Bangor Punta 311 ₂ 31 ₄₈ Bank America 283 ₄ 277 ₈	Eastman Kodak 80 784 Easton	Jewel Cos Jim Walter Johns Manville	576g 57 261g 26	Pac. Tel. & Tel Palm Beach Pah Am Air	434 438	Thomas Betts 4814 4814 Tidawater 4434 4314 Tiger Intl 19 1918 Time Inc 6014 5868
Bank of N.Y 3454 3518 Bankers Tat. N.Y 3078 3029 Barry Wright 1818 1878 Bausch & Lomb 49 49	Eckerd Jack 34 34 34 51 52 52 52 52 52 52 52	Johnson Contr Johnson & Jns. Johnathn Loga Jostens Joy Mfg	214 2112	Pán. Hand Pipe Parker Drilling Parker Manfn Peabody Intl	314 30% 31 30% 71s 65e	Times Mirror
Baxt Trav Lab 4954 49 Beatrice Foods 1818 1754 Beckman Instr 3558 3512	Emerson Elect	K. Mart Kaiser Alum	167g 167g 23 224	Penney JR Pennywait Pennzoll PéoplésG as	1 2534 X5 4	Tonka
Beker Inds	Enserch	Kaiser Steel Kaneb Services Kaufman Brd Kay Corp	40½ 41½ 28 2678 12¼ 11¾ 20% 21½	Pepsico	32 ³ 4 32 ⁴ 8 27 ⁶ 8	Trans Union 5434 5434 Transway 2656 2614 Trans World 1978 20
Beth Steel	Ethyl	Kellogg Kennecott Cpr Kennametal Kerr-McGee	2312 2348 32 32	Petrie Stores Petrolane Pfizer Phelps Dodge	448 4556 60 50 18 32 3154	Tricentrai
Black & Decker 18% 18 Block HR 3378 3318 Blue Bell 29 2834	Exten	Kidde Kimberiey-Clar King's Dept. St Knight Rdr. Nw	431 ₉ 42 k. 631 ₈ 617 ₈	Philip Morris		Triton Oil Gas 28 2712 20th Cent. Fox 611 ₂ 613 ₄ Tyler 22 UAL 231 ₂ 231 ₄
Boise Cascade 3934 3918 Borden 2618 2618 Borge-Warner 3948 39	Feddera	Knight war. kw Koehring Koppers Kroehler Kroger	57 57 223 214	Pluston warm	74 674	UAL 2312 2514 UMC Inds 11 11 UNG Resources 123s 1212 Unilever N.V. 567s 575s Unilon Camp. 5512 537s Unilon Carbide. 5914 591s
Braniff Intl	Fed. Paper Brd 30 2975 Fed. Resources 51g 51g Fed. Dep. Stores 3314 3212 Fieldcreat Mi 3354 3356	LTV Lanier Bas. Pro Lear-Siegler	d. 37 3612	Plessey Polaroid Potlatch	2514 2378 4168 41	UniqhCommercal Sali Sali
Brown Forman B 5912 5814 Brown Gro 3212 3134 Brown & Sharp 27 2812	Firestone	Leaseway Tran	15. 31½ 31½ 354 35¾	Procter Gamble. Pub. Serv. E & G.	71% 67% 18½ 18%	Union Pacific 673g 67 Unitoyal, 67g 7 Unito Brands 147g 147g
Browng-Ferris 301 ₂ 305 ₈ Brunswick 141 ₈ 135 ₈	1st Chicago 164 1554	Levi Strauss Levitz Furntr Libby Owens F Lilly (Eli)	4534 4786 2558 2512 d. 247s 247s	Pub. S. Indiana Purex Purolator Quaker Oats	19 1834 457 ₈ 45 325 ₈ 315 ₉	Utd. Energy Res. 4218 4118 US Fidelity G 40 3912 US Fitter 3214 3214 US Gypsum 3442 3412
Bucyrus-Erie 1978 20 Burlington Ind 2058 21 Burlington Nrhn. 65 641 ₂	Ist City Bank Tex 59 60 1st In1 Banc 525 ₆ 53 1st Masissippi 191 ₈ 191 ₄ 1st Nat. Boston 361 ₂ 357 ₈	Litton Inds Lockheed Lockheed	711 ₈ 687 ₈	Quanex	71g 71g 3034 311g	US Home
Burndy	1st Penn	Lone Star Inds Longs Drug Str Louisiana Land Louisiana Pac.	37 364 rs. 364 354 453, 401	Ramada Inns Rank Org, ADR Raytheon Reading Bates	95 94	US Surgical
CPC Intl	Florida Pwr & L 241 ₂ 241 ₂ Ford Motor	Lowenstein Lubrizo I Lucky Strs	1634 17 6834 69 1412 1438	Redman Inds Reeves Bros Reighhold Chem.	1086 1018 37 5514 1414 14	Upiohn
Campbell Tagg 2412 2412 Canal Randolph. 2512 2514 Can. Paoific 3544 3478	Foxbord 47 4612 Franklin Mint 2656 2618 Freeport Mint 6312 6212	MacMillan	1412 ! 1414	Reliance Group Republic Steel Rep of Texas	261 ₂ 265 ₆ 385 ₄ 377 ₈	Vernitron
Carlisle Corp 905g 8914 Garnation 26 28 CarpTech 383g 375g	Fruehauf	Macy Madison Fund. Mfcrs Hanover Macco Marathon Oil,	2214 92 : 3314 3234	Reach Gottrell Resort Int A Revere Copper Revere Copper	251g 2414 821g 3154 1914 1948	Vulcan Matris 4114 4114 Walker (HM) C.H 2212 23 Wallace Murray 48 48
Carter Hawley 17 is 17 is 17 is 64 is 64 is 64 is 64 is 65 is 66 is 66 is 67 is 66 is	GK Technologies 4814 4814 Gannett	Marine Mid,	18 18 335e 335e	Revion Rexpord Reypolds (RJ), Reypolds Mtis	171g 171g 427g 423g	Wal-Mart Stores, 315s 301z Warnaco
Central & Sw	Geloo	Marriott Marsh McLenn Marshall Field, Martin Mtta Maryland Cup.	617g 1614	Rich Marrell Rite Aid Roadway Exps Robins (AH)	4056 4056 1	Washington Post 23 2218 Waste Mangt 963, 9412 Weis Mits 334 3332 Wells Fargo 2814 2813
Certain-teed 121 ₂ 121 ₄ Cessna Aircraft 511 ₄ 305 ₈ Champ HomeBid 21 ₈ 21 ₄ Champ Int 251 ₂ 255 ₈	Gen Electric 6634 6788 Gen Foods 3134 3118 Gen Instrument. 7868 7814 Gen Mills 2918 2878	Massey-Fergn . Mass Multi Cor	341g ' 531g ' 37g ' 37g ' 141g ' 141g	Rochester Gas Rockwell Intl Rohm & Haat	19 1214 371 ₈ 367 ₈ 571 ₄ 56	W. Point Peppi 4412 4378 Western Airlines. 812 858 Western Bancorp. 3678 36
Champ Sp Plug 9 876 Charter Co 14 1556 Chase Manhatt'n 4714 4766 Chemical NY 5012 5034	Gen Motors 5014 5036 Gen Portland 2534 2478 Gen Pub Utilities 414 418 Gen Signal 4514 4414	Mattel May Dept Stra. Mayer (Oscar).	241 ₂ 241 ₂ 271 ₃ 271 ₂	Rolm	5878 5778	Westn. Nth. Amr. 5012 4912 Westinghouse 2978 2918 Westvace 4014 4014 Wesyerhaeuser 3558 3676
Cheese Pond	Gen Telep Elec 2512 2478 Gen Tire	Maytag McCulloch Oil . McDermott (Ji McDonald's	R). 381 ₂ 365 ₈	Rowah Royal Crown Royal Dutch Rubbermald	1958 2018 1278 1254 8858. 8918	Wheelabratr F 54 52 Wheeling Pitts 2414 24 Whiripool 2234 2212
Cincinnati Mil 4058 4058 2258 2258 2258	Genuine Parts' 2734 2779 Georgia Pac 29 2936	McDonnell Dou McDonough McGraw Edisor McGraw-Hill	g 441 ₈ 441 ₄ 441 ₂ 441 ₂ 1 391 ₈ 36	Russel Styr	151 ₈ 151 ₄ 23 225 ₆ 291 ₄ 285 ₆	White Consoltd. 26 2558 278 278 278 278 278 278 278 278 278 27
Cities Service	Geosource 535 53 Gerber Prod. 274 274 Getty Oil 71 694 Giddings Lewis 3514 35	McLean Trucks Mead Media Geni Medironio	1016 919 29 2914 325 3210	SPS Technol'gies Safeco Safeway Stores St. Joe Minis	3014 30 3518 3518 5278 3318	Williams Co 394 394 Winn-Dixie Str 294 2956 Winnebago 3 Wisq Elec Power 2114 21
Cluett Peaby 11 11 111 1116 1116 3578 3518	Gillette 284 2858 Global Marina 5378 5458 Goodrich (8F) 2458 2458 Goodyear Tira 1858 1814	Melville Memorex	3168 3158 4312 43 1168 1112	St. Paul Cos St. Regis Paper Sante Fe Inds	3814 3813 3718 3678 8858 8938	Woolworth 2578 2414 Wrigley
Coca Btj.NY 91g 95g Colgate Paim 1554 151g Collins Aikman 96g 944 Colt Inds 495g 4914	Gould	Mercantile Sts. Merck Meredith Merrill Lynch	.533 ₄ 82 504 50	Sante Fenti Saul Invest Saxon Inds Schering Plough	95g 95g 54g 65g	Xerox
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	ndices	·				·
Feb. Feb. Feb. Feb. Feb. 7	bb. Feb. Feb. High Low	High Low	AUSTRALIA	Mar. Fe		1980/61 High Low
◆Industrie 974.58 966.81 954.40 946 Hime Binds 62.04 62.09 62.59 82	.61, 62.66 62.83 76.61 69.86	061.70 41.92 3/1/78)÷ (2/7/82)	All Ord. (1/1/90) Metal & Minris.		1 651.9 651.1 .8 674.1 674.7	749.2 (17/11) 589.1 (3/1/80) 818.0 (17/11) 492.5 (28/5)
Transport 392,54 390,52 385,78 393 Utilities 198,45 185,49 185,41 188	(28/17) (27/8) (3 1.69/107.02/107.27 117.81 95.04	425,68 12,23 28/11/80) (8/7/32) 165,32 10,5	Credit Aktien (2/	1/62) 65.67 62	.51 63.58 83.26	89.40 (7/1/80) 53.28 (25/2/81)
Trading Vol. 000's† 55,218 66,500 46,716'45,		(28/4/42) -	Beigian SE (\$1/12 DENMARK Copenhagen SE			
	o. 23 Feb. 13 Feb. 6 Yea	r ago (approx)	FRANCE CAC General (29/ Ind Tendance (3	12/61) 129.5 108		128,5 (5/11) 97.1 (5/1/85)
Ind. div. yield %	87 5.87 5.75	5.97	GERMANY FAZ-Aktien (61/12	2/68) 216.23 218	4 217.54 218.41	258,89 (25/2/80) 212.73 (28/5)
1 1 1 1 1	Feb. Feb. Feb.	incs Cmpil't'n High Low	HOLLAND ANP-CBS Genera ANP-CBS Indust.	L (757II) 83,5 98		748.2 (25/2/80) \$66.4 (18/2/81)
\$1ndust'is 149.27 147.96 148.08 1 \$Composite 151.27 180.16 128.52 1	127.58 127.55 128.58 149.52 98.22		HONG KONG	(1970) ; 85,7 ; 86 (61,7/84) 145 I,04 1487.		\$8.2 (11/1/80) , 58.2 (28/5)
Ind. div. yield %	25 Feb. 18 Feb. 11 Year	8/[1/80 (1/5/62)	ITALY			285,47 (2:5:61) . 85,11 (2:1:88)
4.4 Ind, P/E Ratio 9.1	9.11 9.07	8,04	JAPAN Dow Average (18) Tokyo New SE (4)	(5/49) 7155,58 7146 (1/68) , 508,71 597,	.53 7 128.24 7 12 1.86 .46: 506.25; 564.84	7322.96 (2/2/81) 6475.85 (27/3) 511.54 (2/2/81) 449.61 (10/3)
Long Gov. Bond Yield 12.3	Rises and		NORWAY Osio SE (1/1/72) -	T25,29 121	3 119.37 119.36	144,70 (14/2/80) 118,12 (28/8)
N.Y.S.E. ALL COMMON 1980 Feb. Feb. Feb. Feb. 27 26 25 ! 34 High	Feb. 27 Feb. 2	898 1,883 111 746	SINGAPORE Straits Times (15)	789.57 805	40 794.38 787.56	805,40 (27/2/81) 428,75 (5/1/88)
	55,30 Unchanged 361	422 731 365 406 84 45 16 28	SOUTH AFRICA Gold (1858) Industrial (1858)	(u) 615 (u) 575	4.8 621.2 842.7 2.4 667.7 694.8	1925.1 (22/9) 496.5 (18/3) 890.5 (5/11) 456.0 (2/1/80)
MONTREAL	_	16 . 28) 80/81	SPAIN Madrid SE (80/19/	(c) 113.	1 113.0 119.35	114.26 (17/2.81) 100.0 (80/12/60

Nthn. Telecom 3312 33 Oakwood Pet 1814 18 Omni				
Partic Copper; 3.50 3.50 Pan can Petrol; 45 45 Placer Dev	Low	1986 High	Feb. 25	Feb. 26
Power Corp	89.1 (3/1/80) 92.8 (28/8)	749.2 (17/11) 818.0 (17/11)	681.1 674.7	851.9 674,1
Royal Bank	3.28 (25;2;81)	69.40 (7/1/80)	83,28	63,58
Sceptre Res	82.42 (7/1 81)	105,75 (11/2/80)	23.76	84.05
Teck B 16½ 17	74.78 (5/8)	105,14 (25/2/81)	185,14	194,59
Thomson News A 214 21	27 7 7 7 7 1 70 8%	128,8 (5/11) 102,8 (2/5/81)	188,3 101,1	189,1 101.0
Utd Sisco Mines.; 19 19 Walker(Hrm)C.H.; 2714 27	212,73 (28 <u>/8)</u> 56.4 (18/2/81)		218.41 874.4	
Weston (Geo)	74.0 (27/ā) 58.2 (28/š)	90,5 (26/2/81) 68,2 (11/1/85) ,		59,5 87,1
- AUSTRIA	38.9 (19/3)	1654,57 (18/11)	1582,20	50 0. 19.
_	5.11 (2/1/88)	286,47 (2:5/61)	252.28	31,87
Mar. 2 Price + 6	175,85 (27/5) 149,01 (10/6)	7322,96 (2/2/61) 811.54 (2/2/81)	7121.66 5 64.8 4	28.24 06.25
Perimooser 556 Semperit 102	118.12 (28/8)	144,70 (14/2/80)	119.86	19.57
Steyr Dalmier 237 +2 VeltscherMag 253	1	805,40 (27/2/81)	- 787,56 _,	94,38
	196.5 (18/3) 56.0 (2/1/80)	1026,1 (22/8) 880,5 (5/11)	842.7 564.8	
- BELGIUM/LUXEMBOURG		114,28 (17/2,81)	119.35	13.0
Mar. 2 Price + c		475,50 (18/9/81)	;	 ;
ARBED. 1,196 -5 Bang Int A Lux 5,000 Bakaert B	17	817,9 : 11/2/89:	292.4	94,4
EBES	20,5 (27,3)	184,8 (20/11)	165,0	55.5
Fabrique Nat 1,6503 G.B. Inno 1,955 G.B. Inno 1,955 G.B. Inno 1,3002	nd Metals— —1,000: the als. § 400 c) Closed.	blis All Ordinary —10; and Toron ; \$400 indust 20 Transports.	Poors- bonds.	and ding
1	2			

NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the nemed based on 1975. † Excluding bonds. ‡ 400 industrials. § 400

WEDEN

SWITZERLAND

Low

Change
Stocks Closing on
traded price day
... 491,100 192 + 12
... 457,500 842 - 2
... 482,000 184 - 1
... 454,700 303 + 2
... 432,700 187 + 3

381,35 362,37 362,09 362,79 423,80 (29/2/88) 323,51 (27/5) 343,88 544,18 343,72 344,08 578,56 (20/10) 296,80 (27/8)

Quaker St.
IBM
K. Mart
Natomas
Foster-Wheeler ...

TORONTO Composite 2178.5:2178.57:2185.97:2171.87 2492.2 (28/11) 1792.5 (27/2)

NEW YORK ACTIVE STOCKS
Change
ks Closing on
ad price day
000 80 +1% Quaker St.
900 16% - % 18M
000 22% + % K. Mart
700 42xd -2% Natomas
500 16% + % Foster-Wheeler ...

MONTREAL

Wall St. mixed at mid-session

STOCKS ON Wall Street were THE AMERICAN SE Market gain ground, with Takeda carnival holiday in Duesseldorf, mixed after moderate trading at Value Index receded 0.43 to Pharmaceutical rising Y25 to where the index is prepared.

Pharmaceutical rising Y25 to where the index is prepared.

Pharmaceutical rising Y25 to where the index is prepared.

Whitsui Mining Y5 to Y744. Toray DM 246.40 in Chemicals, while y7 to Y276 and Tokyo Electric speculative buying in a thin market had a good rise, last week and was in oversibaceuting trading. They market declining Y16 to Y345

Domestic Bond nites and in the prepared of the pre

supply, which includes negoti-able order of withdrawal (Now) accounts, raised fears interests rates would turn upwards again after drifting lower for several

The Dow Jones Industrial Average, after advancing 38 points last week, was down 5.94 at 968.64 at 1 pm. The NYSE All Common Index shed 11 cents to \$75.02, although advances and declines were about evenly matched. Trading volume came to 29.71m shares, compared with Friday's 1 pm figure of 38.58m.

AM International lost 1 to \$131 on reporting a fiscal secondquarter loss, against a year-ago profit. Handy and Harman announced improved fourthquarter earnings but slipped i

to \$21#. Most Precious Metal shares fell sharply on falling Bullion prices.

J. C. Penney climbed 1½ to \$25½ in response to sharply higher fourth-quarter operating earnings. It also forecast an improvement in consumer spending in the 1981 second-half.

El Paso added ½ at \$23½. It reported an Oklahoma gas find. GK Technologies put on ½ to \$48½. They have signed a to \$42½. They have signed a final merger agreement.

Continental Airlines firmed ½ to \$12½, but Western Airlines were unchanged at \$8½, and buying by foreign investors Most Precious Metal shares fell

final merger agreement.
Continental Airlines firmed to \$12t, but Western Airlines were unchanged at \$84, and Texas Air; unaltered at \$11t on the American Exchange. The Civil Aeronautics Board gave tentative approval both to the proposed merger of Continental and Western, and Texas Air's request to buy 48.5 per cent of

Closing prices for North America were not available for this edition.

Feb. Feb. 27 26

291₈ 123₆ 401₈ 423₄ 29' 303₄ 31

Continental.

CANADA

Basic Resources. 11

recent acceleration of growth in an exchange of stock. Volume the M-1B measure of money leader Syntex rallied 14 to \$584, after dropping sharply last week on disappointing earnings news.

Canada-

Markets were easier-inclined in fairly active early trading. with Precious Metal issues outstandingly weak. The Toronto Composite index lost 4.0 to 2,175.5, while Golds fell 169.1 to 3,627.3 and Metals and Minerals 10.8 to 2,109.7, but Oils and Gas edged up 2.7 to 4,278.8.

Dome Mines dipped 4½ to CS83½, United Kene CS2 to CS29, Campbell Red Lakes 1½ to CS56½, Camfle 14 to C\$34, Lake Shore
14 to C\$244 and Pamour C\$1

to C\$123. Tokyo

High-priced Light Electricals and some other Blue Chips con-

on buying by foreign investors and major Japanese securities companies following reports of a possible tie-up with IBM of the U.S. for small computer sales under IBM's brand name.

Elsewhere in Light Electri-cals, TDK Electronics climbed Y80 to Y4,60, Victor Y50 to market, but selective purchasing opening price.
Y2,750 and Sony Y40 to Y3,520. by foreign invetors boosted some Pharmaceuticals, Precision prices.
Instruments, Coals, Textiles and Electric Powers were inclined to unavailable because of a local 30 cents at A\$3.00.

+40 +20

-14

+5 -5

--26

+2

-0.2 -1.6 +0.2

-0.6

BELGIUM (continued)

Sofina. 2,730 Solvay. 2,315 Fraction Elect. 2,140 UCB. 1,148 Union Miniere. 714 Vieille Mont. 1,014

Andelsbanken... 129.6
Baltica Skand... 560
CopHandelsbank,132.2
D. Sukkerfab... 568.2
Danske Bank... 127.4
East Aslatic... 112.6
Finansbanken... 172.4
Forenede Brygg. 520
Forende Dampsk, 274

Emprunt 432 1975 2,385 —81
Emprunt 75 1975 7,600 —21
CNE 52 3,091 —4
Afrique Oocid 485.5 —1
Air Liquide 499 +1
Aquitaine 117 1178 +7
Au Printamps 117

+0.5 +1.7 +0.5 -0.9 +2 -1 -3 +5 +0.4 -0.2 +3 +1 +2

62.5 +2.5 454 -2 122.7 +2.7 110.7 -0.9 188.5 +0.5 288 +1

| Rail und Salz. | 215 | 1 | Ciba Geigy | 1 | Ciba Geigy

Mar. 2

Gen.-Occidental.
Imstal
Lafarge...
L'Oreal
Legrand
Machines Bull...
Mgtra...
Michelin B....
Moet-Hennessy...
Moullinex
Paribas

AEG-Telef...... Allianz Vers...... BASF BAYER.....

Bayer-Varein 288
BHF-Bank 179
BMW 152
Brown Boveri 259.5
Commersbank 182.2
Conti Gummi 58.8
Daimier Benz 255.5
Degussa 231
Demag 127

GNT Hidg...... Nord Kabel..... Novo ind.... Papirfabrikker.. Privatbanken...

FRANCE Mar. 2

Petrofina...... Royale Belga..... Soc Gen Banq. ... Soc Gen Belge ...

DENMARK

Price Frs.

4,900 4,500 2,200

a good rise, last week and was in over-the-counter trading. They declining Y16 to Y345 due for a rest. They also said have agreed to merge through and Nippon Y40 to Y1,390, recent acceleration of growth in

Hong Kong

Stocks closed sharply lower on local selling, with the Hang Seng index relinquishing 36.84 more at 1.451.04. However, turn-over was fairly light, amounting to HK\$410.76m on the four exchanges, against last Friday's HK\$461.75m.

An early rise, led by Hang Seng Bank and Hong Kong Bank, was soon offset by fresh selling on indications of growing Government involvement in the market, including the proposal to levy stamp duty on warrants and unit trusts, as well as and unit trusts, as well as recent disappointing land sales. Among the leaders, Cheung Kong lost HK\$1.75 at HK\$32.00, Hutchison Whampoa HK\$1.20 at HK\$15.80, Jardine Matheson 70 cents at HK\$22.30, Swire Pacific "A" 70 cents at HK\$14.90, HK Land 40 cents at HK\$11.10 and HK Wharf 50 cents at HK\$18.50 HK Wharf 50 cents at HK\$8.50. HK Bank were unchanged on the day at HK\$21.70.

Elsewhere, Hang Seng Bank were still HK\$2 up on balance at HK\$169, following the results. However, Sun Huag Rai Properties shed HK\$1.00 to HK\$16.50, Trafalgar 40 cents to HK\$6.40 and Sun Hung Kai Securities 35 cents to HK\$4.90.

Germany

Share prices closed mixed to lower in quiet trading yesterday, the height of the carnival cele-bration, brokers said. They cited a continued weak Bond market and a strong dollar as depressants for the share

Takeda carnival holiday in Duesseldorf,

Domestic Bond prices shed as much as 75 plennigs more Trading House Mitsubishi shed although a few Bonds traded up. Y12 to Y658, while Toshiba to 30 pfennigs firmer. The Ceramic lost Y19 to Y819.

Bundesbark sold DM 5.8m of paper in the decline, after selling DM 5.2m in last Friday's fal-

ing market.

Paris Bourse prices were firm in quiet trading, with higher bank base rates having little effect on the market as Call Money declined to 11; per cent from 12; per cent yesterday morning Unit trust purchases under the "monory law" helped he

market to rise. Banks and Insurances mainly improved, but Cie Bancaire lost FFr 5 to FFr 368 on announcing lower 1980 net profits.

Carrefour, in Foods, advanced
FFr 16 to FFr 1,740 on higher

Australia

Resources issues, particularly Metal Mining shares, continued to decline in light trading. How ever, Retailers were strong again and other Industrials showed a firmer bias.
Retailer John Martin, which

yesterday received an A\$1.30 on market offer, moved ahead 15 cents to A\$1.40, although another take over target.
Waltons, receded 3 cents to

A\$1.11, equal to the Bond Corporation offer. Woolworths added 3 cents at-A\$2.12. Myer 5 cents at A\$1.95 and G. J. Coles 3 cents at A\$2.63. Charles Davis rose 5 cents to A\$1.85 following higher December half-year profits.

Overall market leader BHP were quoted ex rights at A\$12.65 at the close, 15 cents helow the greening price.

Gold shares weakened in line with the lower international Bullion price, Kitchener losing

11	HOLLAND			AUSTRALIA			JAPAN (con				· · -
١	Mar. 2	Price Fis.	<u>+</u> or	Mar.2	Price Aust.	+ cr	1	, 785		÷-	
	CF Holding		-5 -0.7	ANZ Group	.] 1.10	+0.0	Kubota Kumgaai Kyoto Caramic	354 418	+1		
١	KZO	17.8 288	-0.3 1 -8	Alistate Expl Ampol Pet Assoc. Pulp Pap	1.75	+0.0	Lion	471 627	+50		
	MEV MRO Tedero Cert	. 55	-0.8 -1.5 -0.5	Aug Cons. Ind	0.17 2.02	-0.0	Makita	915 370	j –3	<u></u> 	
. 8	los Kalis Nehrmann-Tet	.i 81 ·	_1.3 10.3	Aust Rugarant Aust Nat Inds	1.5 15	+0.0	Marubeni Marudai Marui Marui Matsushita M'ta Elec Work	725 835	-8 -14 +14		
<u>. [</u> 2	aland Hidgs	. 29.3 138.5	6i —0,5 5i —4,5	Bank NSW Blue Metal	3.1	÷0.0 +0.0	4 M'ta Elec Work 5 M'bishi Bank	541 470		-	
•	innia UroCom Tst			Bond Hidgs Boral Si'ville Copper _	2.9		2 M bishi Corp 0 M'ibishi Elec 2 M'bishi Ri East	658	112		
I۲	ilst, Brocades leinekenioogovens	58 57.7	-1.1 -0.8 -0.5	l Brambles Inde	× 2 95	-0.0	⁵ MHI	191	1	-	
· ¦	lunter Douglas. nt-Muller	13,4 13,1	¦	Bridge Oil BHP Brunswick Oil	12.65x	ři	Mitsui Co	510 628	-10 +158		
K	(LM laa.rde'п	76 82	-1.5	Brunswick Gil CRA	4.85 6.4	+0.0	NGK Insulators Nippon Denso.	460 931	+13	÷ .	
IN	at Ned Gert led Cred Bank led Mid Bank	44.2		Carlton & Utd	2.5 3.5	-0.0	Nippon Gakki Nippon Meat	878 485	+14 -5 -48	HILE	
- I N	lediloyd oce Grinten	116 91.5	+0.5	Do. Opts	0.33 1.35		Nippon Shinpai	1. 843 147	+5	m C	OMM
.[유	mmeren (Van). akhoed	32,2 38,5	-0.1 -0.7	Coles (G.J.)	2.63 5.36	+0.0	Nippon Suisan.	211 4,580	-4 -20	7.	•
P	hillips ijn-Scheide	18.8 40.3	-0,3 -0,8	Coles (G.J.)	7.8 3.8	+0.2	Nissan Motor Nisshin Flour	705 409	-1	(e.e. ·	
:	obeco	114 114	+2.5	FUIUMBUBLUII	. 0.4	+0.0	Nomura	370 370	+2 +2 +2	٠	
R	obecoobecoobecoobecoodamcoolincoolincoolorentooval Dutch	124	+2.5	Duniop Elder Smith GM Endesvour Res_	1 0.70	O.Bi	Olympus	1,330	-10		•
, İŝ	lavenburg's okyo Pac Hg nilever lking Res	187 919	+1.5 -1	Gen Prop Trust. Hamersley Hartogen Energy	1.65 3.0	+ 0.0	Pioneer	3,040 708	+20 5 8	4 • ;• ∵	
				Hartogen Energy HookerICI Aust	1.82	+0.02	Nissan Motor. Nisshin Flour. Nisshin Steel. Nomura NYK. Olympus Orient. Pioneer Renown Ricot. Sanyo Elect. Sanyo Elect. Sapporo Sekisui Prefab. Sharp Shiseido Sony Stanley	- 525 - 415	-8 -4 +2 +9		
ľ	NUolker-Stevin olker-Stevin est Utr Bank	75 23.8	-0.7 +0.2	Himberlana 25c	1,00	-0.01	Sekisui Prefab Sharo	649 690	+9 +21		•
<u> </u> "	est Utr Bank	169,5	-3,5	Jones (D)	1.55	-0.01	Shiseido	921 3,520	-14: +40		:- •
'n	TALY			Lennard Oil	5.75 7.7	0.87	Stanley Stomo Marine, Taihel Dengyo Taisel Corp Taisho Pharm Takeda	510 275	-1 -1 -5	_	
l	Mar. 2	Price	+ or	[Meridian Oil	0,35	+0.01	Taisei Corp Taisho Pharm	215	parison		_
[_		lita		Monarch Pet Myer Emp Nat Bank News	1.95 2.95				+25		114
I۸	NIC salcur Gen anca Com'le	68,500	?; + 5,700	Nicholas Int,	3.5 1.32 3.05	—0.05 —0.16	l Telkoku Oil	'IT DEO	: Lán :		
	astogi Fin entrale	59,000 734.75 46.005	4.25 + 1.805	Oakbridge Otter Expl		-0.05 +0.05	Tokio Marine	628	-13 -6 +5	2	
Ę	redito Varesino at	20,005 2,289	-495 26	Pancon.	10.5 0.22	: —0.30	Tokyo Gas	112	_1 _4	Ą., .	
	anca Com ie	92.75 4,875 48 200	-11.25 +70	Pioneer Conc Queen Marg't G. Reckitt & Colo	2.52 0.58	+0.02 +0.01 +0.03					-
Jt: M	alsider ontedison ivetti relli Co relli Aps	507 246	—5.5 !—8	Santos Sleigh (H.C.)	1.57	-0.05	Toyo Seikan Toyota Motor	435 740		· .	
	ivetti relli Co	4,870	-29 +3	Southland M'1'g. Spargos Expl I hos Natwide	0.52 0.45	-0.85	Wacoal	. 825_	1 - 4 ,		,
Sr	ia Viscosa	1,360 1,027	-9 +51 -3	Tooth	2.52	÷0,82		848 505 278	+2 .		
Tg	nia Viscosa o. do. Priv. oro Assic o. Pref	37,430 36,050	÷830 +1,150	Vallant Consdt	0.66 1.11	0.03	TOKOBA WE BOS	615	15		
Γ				Western Mining . Woodside Petrol Woolworths	4.55 2.34	+ 0.02 + 0.03				,	• • •
N	ORWAY		•	Wormaid Intl	4.15	+ 0.03	Mar. 2	Price 8	+ or	<u></u>	
	Mar. 2	Price	+ or :	HONG KONG		,	Boustead Bhd	9.1	_0.16		
E	rgens Bank	Kroner 125	+3	Mar. 2	Price H.K. S	+ or	DBS	8.4 5.66	-0.16		
많	rregaard	95 ; 126.5	0.5	Cheung Kong Cosmo Prop	32 2.65	1.7Ś	Haw Par Inchcape Bhd	3.38 4.02	_0.6s_:	··· ·	
ľĸ	kam Smos orsk Hydro	450	7.	Cross Harbour	9.0 1	-0.1 +2	Malay Banking Malay Brew OCBC	17.3 B.B	+0.2	:: .,	:
St	orebrand	157.5		HK Kowloon Wh	7.6	-0.5 -0.4	Sime Darby Straits Trdg UOB	1379 J	+0.0	\	
SV	WEDEN		Ì	HK Land HK Shanghai Bk. HK Telephone	21.7 26	-0.4			_08 i	'n.	
	Mar. 2	Price		Hutchison Wpa Jardine Math New World Dav		-1.2 -0.7 -0.25	SOUTH AFRIC	A	, ,	M_{ij}	
_		Kroner		O'seas Trust Bk SHK Props Swire Pac A	675 I	0.05 1.0	Mar. 2	Price Rand	+ or	Na.	~4. Tá.
AS	ia Ia-Lavai Ea	96	+3 +4 -1	Swire Pac A	14.9 6.9	-0.7 -0.4	Abercom	26		UM	MA
쫎	fors	243	 -		4.1	-0.1	Anglo Am. Co Anglo Am. Gold Barlow Rand,	14.5 I	_0.8 _3.5	41	
Ek	liulosa ectrolux	163 95,5	+2.5	JAPAN'	,	. 1			-0.2 -4.5 -0.1	St.	
ᄩ	selte	140	+3	Mar. 2	Price	+_0	CNA Invests Currie Finance Da Beers	2.2	-0.7	44	APR
Mc Sa	och Dom	161 :	+6	Alinomoto	941		FS Geduid	28.5	_25	**:	- 41
Sk	navik	324	+8	Amada	489 457	- <u>î</u>	Highveld Steel	4,85	_0.55 ·	٠ پ	
SK St	an Enskilda	161 112 275	+2 l	Aliena-	150	I	Kloof Nedbank	52.8 6.10	_3,7 _0,65		•
5w	Kopparberg en Handelson.: redish Match_i	108 .	#1	DRICH	638 4 454 :	+3	Nedbank OK Bazaars Protea Kidgs	3.00		•	•
Vd	deholmivo		+2.5	Dalei OKBO Dai Nippon Ptg Daiwa House Daiwa Selko Ebara	299 390.	+2 -1 -12	Rennies	3.25	-0.85		
-		 -		Eisai1	,120	+20 E	SA Brews	2 OC.			
ŚV	VITZERLAND		•	Fuji Bank	460 120		Smith CG Sugar. Sorec				
		-	اما	Fulitsu Fanuc5	700		Unisec	10.85; 2.70			

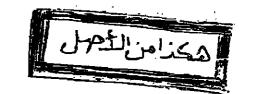
Financial Rand US\$0.89

-4 -5 -4 +50 -4

Jusco Kajima Kao Soap Kashiya ma Kikkoman ...

3,060 —25 1,2405 —25 1,249 —25 3,925 —26 484 —1 265 —5 675 —5 1,740 —10 1,740 —10 1,740 —10 1,740 —10 1,740 —10 1,740 —10

هكنامن الثجل



Beef rise ends price support

By Our Commodities Staff.

BRITISH BEEF is trading without the benefit of artificial market support for the first time since last spring.

The UK Meat and Livestock Commission has confirmed in its latest market report that the recent upsurge in cattle prices has lifted the average above the target price for the current week. This means that i no variable premium is payable on carcases this week. EEC intervention buying of beef, the second line of defence against a depressed market, has already been halted in Britain.

Bandle Sandle

Total Victoria

te. er - Sire te., Se

 $D_{i,j} = D_{i,j}$

N Gertra

MLC said the last time British beef sold without a premium

was May 12 last year.
As marketing of certified cattle continued to decline last week, the average market price climbed 2.39p to 88.95p a kilo-(liveweight) in England, by 1.88p to 86.74p in Wales, and by 2.41p to 88.16p in Scotland. In Northern Ireland it rose 2.9p to 80.67p.

The MLC said yesterday that the MLC said yesterday that the stronger tone in the market reflected a run-down in slaughterings from last year's high level. The projected total for the first quarter of this year was 260,000 head against 280,000 in the same period last year." Demand is not good, but supplies are relatively short." Mr. Svivester Campbell is to become chairman of the MLC's Meat Promotion Executive on April 1. He will replace Mr. Ren Allright, who is retiring.

India to raise tea development | cobalt prices led by the dominnouncement would pri ant producing nation Zaire has made later this week. allowance

NEW DELHI-India is to raise the development allowance for its tea industry under the 1981-62 (April-March) buddet. India's finance minister. Mr. Ramaswami Venkataraman said the allowance ceiling is to be raised to Rs 30,000 and Rs 40,000 per hectare depending on the location of the tea

The allowance, equal to 50 per cent of expenditure incurred on plantation of tea bushes in new or abandoned areas, is currently subject to a ceiling of Rs 12,500 per hectare.

Meanwhile Eastern West Bengale State-proposes a cess of Rs 6 per kilo of tea sold Helsinki last night that it a pound, a fall of \$1 on last still agree that that figure more Reuter usually aligned its cobalt price week's ruling price. outside the state.

Lead defies easier trend on London metal market

BY JOHN EDWARDS, COMMODITIES EDITOR

owest level since December under selling pressure in the leading producing and con-1979 had a generally depressing afternoon. Cash lead closed £3.75 suming countries as to whether effect on other London metal markets yesterday.

Worst hit was copper. Cash wirebars lost £16 to £791.5 a tonne, in spite of a substantial decline in warehouse stocks, which fell by 2,300 tonnes reducing total holdings to 119,300 tonnes.

Encouraging the downtrend was news of the end of the strike by Centromin workers in Peru, and a continued easier tone in the New York copper market. At the same time several U.S. copper producers announced cuts in their domestic copper selling prices from 86 to 83 cents reflecting. the lower trend on Comex.

While U.S. producers reduced copper prices, lead producers stock price ranges, which will raised their prices a further 2 be considered at next month's cents to 34 cents a pound continuing the recent upward trend. This increase, and the the Panel will come out with continuing strikes at lead-zinc mines in Australia, helped lead for the April meeting, since 1,025 to 46,925 tonnes, but Rated capacity of the Jebel Ali defy the general easier trend, there is known to be consider nickel stocks rose by 48 to smelter is 135,000 tonnes a year.

BY ROY HODSON

taken traders and industrial

users by surprise. Some cobalt-using industries in metals and

chemicals had already pur-chased the larger part of their

cobalt requirements for the year

on the basis of assurances that

producer prices would remain

metals trading firm, suddenly

cut its world cobalt price by \$5 a pound to \$20 a pound last Fri-

day, only a day after the com-

pany's representative in

Brussels had stated his company

was determined to maintain

cobalt producer prices.

The

Sozacom, the Zaire state

stable throughout 1981.

Cobalt price cut

shakes industry

A 20 PER CENT reduction in with Sozacom and that an an-

Finnish producer Outo- cobalt is currently at a low level.

kumpu Oy is likely to lead other In the small amount of business

gained further ground in after hours dealings. Lead stocks held in the LME warehouses dropped sharply by 3,300 tonnes reducing total holdings to 61,675 tonnes.

-but only marginally by 525 to 91,825 tonnes—and prices ended the day only slightly lower. T in stocks fell by 515 tonnes to 6,510 tonnes. However prices Bolivla, also urged in Washingfell back in line with copper and gold, Cash tin closed £85

Zinc stocks were also down

lower at £1,085 a tonne. . International Council's special Economic and Review Panel is meeting in London this week to consider producer demands for a rise in the Tin Agreement's buffer tin prices could force the stock price ranges, which will closure of some mines in be considered at next month's

Council meeting.

It is thought unlikely that any definite recommendation

The Zambian cobalt industry

price. The Zaire industry pro-

duces about four times as much

cobalt as the Zambian industry.

Zaire and Zambia reached an agreement in London last

November that they would hold

their prices at \$25 a pound

throughout 1981. Recently the

market for the metal has been

depressed and there have been

rumours of pressures upon both

Zaire and Zambia to reduce

their current stockpiles totalling

some 5,000 tonnes by a price cut.

producers in a similar price that is being done the metal is port measures. The Board and reduction. The company said in changing hands at about \$18.50 the National Farmers' Union

The free market trade in

THE DECLINE in gold to the even though the market came able disagreement between up at £324.25 a tonne and an increase in the Agreement's price range is justified on economic, rather than political grounds. A substantial upward revision

in the range was urged by Mr. Paul Leong. Malaysian Primary Industrias Minister, in a joint statement with Sr. Carlos Morales Nunez, the Bolivian Mining Minister. Mr. Leong, whi is in London, after visiting ton last week that the U.S. should temporarily suspend sales of tin from its strategic

He described the stockpile as a disruptive influence on the prevailing depressed tin market. Mr. Leong warned that current Malaysia. Output there this year Britain. is forecast to be around last year's level of 62,000 tonnes. Aluminium stocks held in LME warehouses dropped by

BY RICHARD MOONEY

programme for main crop

potatoes in an attempt to lift

The market has been running

at an average price of around

£41.50 a tonne, less than the

Government's " guarantee " level

of £43.94 and way below the £70

the Potato Marketing Board esti-

mates it now costs to produce a

The move, anxiously antici-

pated by British potato farmers

for some time, follows a similar

programme introduced last

June. Under that programme.

423,000 tonnes of potatoes were

contracted to the Board, which

operates the Government's sup-

port measures. The Board and

than covered the season's crop

levels ruling this year.

tonne of potatoes.

cobalt prices led by the domin- nouncement would probably be yesterday a new support buying strengthen the market suffici-

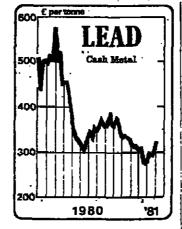
was apparently unaware of the market from the depressed Zaire's intention to cut the levels ruling this year.

New move to lift

UK potato market

THE COVERNMENT aunounced surplus, but it still failed to

tee level.



4,068 tonnes. LME silver holdfell by 1,110,000 to 24.600,000 ounces.

Reuter reported from Bahrais that Dubai Aluminium (Dubal) said one of its three potlines had been taken out of service after an auxiliary power failure

The company said all 120 pots in the line were closed down but the effects of the power failure were restricted primarily to the one line. Some diodes and fuses were damaged, but replacements have been flown in from Sweden and

It was claimed that produc tion on the affected line will restart "in due course" but an official declined to give a date.

Faced with severe cost pres-

sures farmers continued to un-

load potatoes on to the market

in excessive quantities after the

programme finished and prices

drifted back below the guaran-

The Government is liable to

make up the deficit between the

market price and the guarantee

at the end of the season. Unless

prices rise it will face a bill

estimated at between £9m or

Under the new programme.

growers will be able to con-

tract their potatoes to the Board at £44 a tonne for March

delivery, £45 for April, £47 for

Many and £49 for June. It is

hopesd that this will stiffen the

market and allow them to get

beter prices from the trade.

Jamaica sugar quota threatened

THE JAMAICAN government is considering what it can do to rescue the current sugar erop from a disastrous start. The crop is running at 10,000 tonnes below target, and there is a possibility of failing to meet this year's quota of 118,000 tonnes sent to the UK under the Lomé Convention. A target of 300,000 tonnes.

which would have been 57,000 tonnes less than last year's production, has been revised to 260,000 tonnes, but even this now appears to be toe ambitions. Just over 40,000 tonnes have

been produced so far, and the Lomé quota should be produced by the end of April Sugar industry sources have blamed the fact that several factories started operations

late, and about 45 per cent of

available grinding time has not been used. Many of the factories have suffered mechanical problems, while labour disputes on several plantations and factories have exacerbated the

British sugar production in the 1980-81 (Oct. Feb.) season totalled just over 1.1m tonnes, the British Sugar Corporation said yesterday.

This compared with a record 1.154m tonnes in the previous season.

The Corporation said the planned area in 1980-81 was 212,000 hectares but the final with 212,000 hectares in the previous season.

Cocoa council chief resigns

MR. KWESI HACKMAN, executive director of the International Cocoa Organisation, gave notice yesterday that he will be ending his services to the Organisation by September 30 this year.

His annonficement comes at the start of new talks in London this week when the fate of the proposed new International Cocoa Agree-ment may well be decided. If the Ivory Coast remains adamant in its refusal to join, it could press for the pay-ment of funds due to it on liquidation of the buffer stock fund of \$230m built up under the previous Agree-

World wheat prospects good

BY OUR COMMODITIES STAFF

1981 are favourable, so far, creasing wheat requirements according to the latest market during the 1980s.

report issued by the Inter- Meanwhile Reuter reported Council's forecast of carryover stocks in the five main wheat rent International exporting countries was unchanged at 41.3m tonnes - 5m tonnes less than at the end of the: 1979-80 season and the

lowest level since 1975-76. This fall in stocks, as a result of consumption continuing to exceed production, means that above average crops have to be achieved this season to avoid an acute grain shortage developing.

Much will depend on the foretheoming harvests in the U.S. which is by far the world's biggest grain exporter. The Wheat Council report, therefore, devotes a special section on "the potential for increased

wheat in the U.S." It notes that wheat produc-tion in the U.S. reached a record 64m tonnes in 1980 and is currently expected to reach a new peak this year. The report adds that although the potential exists for further production increases, these may The wheat area sown by require considerable expendi- December 1 was 1,415,000 ture. New land must be cleared hectares, up from 1,373,000 at or additional quantities of

fertiliser used to raise yields. The cost of each additional ton of wheat produced in the U.S. during the 1980s is likely to be higher than in the 1970s Minister of when the relaxation of acreage welcomed controls was the main factor recovery of the sheep breeding generating larger crops. Far- flock to 403,000 ewes (up 2.9 mers will only incur these per cent from a year earlier). higher costs if they have reason. But he said the decline in the able expectations of adequate dairy and beef herds. if not returns from the market, the reversed, would put future out-

WORLD PRODUCTION of the U.S., and other exporting wheat last year rose by 19m to countries for that matter, will 445m tennes, and prospects for be able to meet the world's in-

Meanwhile Reuter reported national Wheat Council. The that the U.S. Agriculture Department said it is likely the cur-Agreement, scheduled to expire at the end of June, will be ex-tended for at least another year.

> The department said the Reagan Administration had not had sufficient time to consider the proposal calling for a new pact based on internationally co-ordinated, but nationally held, wheat stocks. It would be easier to ensure a continuation of the food aid convention at 7.6m tonnes per year through an extension of the current agreement.

> The question of an extension will be discussed at the meeting of the International Wheat council in London this week. • UK autumn sowings of

wheat and barley reached record levels last year, according to the December, agricultural census, details of which were published yesterday.

the same date in 1979. The barley area rose to 791,000 hectares from 723,000.

Commenting on the census results, Mr. Peter Walker, the Agriculture. continued report adds. put in jeopardy. The dairy herd However it concludes that was down 1.7 per cent to 676,000 given a sufficient market stimu- head and the beef herd 4.4 per lus, it is likely that producers in cent down at 766,000.

EEC beef export growth

CANBERRA-The EEC could in the erosion of many of our overtake Australia as the markets, such as the Middle this year, Mr. Peter Nixon, Australia's primary industry minister, said yesterday.
Mr. Nixon said EEC beef

and 1980. "Such export capa- would continue efforts to try to bility was made possible only make the Community under-

Mr. Nixon said subsidised

world's biggest beef exporter East," he said. EEC competition would be one exports doubled between 1979 the 1980s, adding that Canberra

of the most serious problems facing Australian beef trade in because of very substantial stand how damaging its policies subsidies, which have resulted were. Reuter

BRITISH COMMODITY MARKETS

BASE METALS

in sympathy with precious metal prices, as general diquidation and weekness in the U.S. saw forward metal place the late kerb at E815. Turnover, 29,675 tonnes.

COPPER	official	+0	unofficial	+-0
	£	1 B.	£	E
Wirebars Cash 6 months Settlem't	826-,5 802-5	-2.75	815~5	- 16 - 15.
Cathodes Cash 5 months Settlem't U.B. Prod	799-800 812,5-3 800			-17. 15

Amalgameted Metal Trading reported that in the morning three months wirebars traded at £831, 30.5, 30, 29, 28.5, 27, 5, 27, 26, 27, 27.5, 27, 26.5, 2813, 12. Kerb; Wirebers, three months 2813, 12. Kerb; Wirebers, three months 2825, 25,6, 25, 24, 23,5. Afternoon: Wirebers, three months 2918, 18.5, 19, 18.5, 19, 18.5, 17, 17.5, 17, 18.5, 15,

15.5, 15. 15.5. Kerb: Wirebers, three manths £815, 15.5, 16. 16.5, 15. COPPER Lost ground on the London

Matal Exchange following the sharp
decline in gold. Forward matal hald around £530 to £535 on the pre-market
profit-taking. However, in the effermoon heavy. Commission House selling decline in warshouse stocks. Thereafter the market came under organize a close on the fats set of £3.205.

TIN	e.m. Official		p.m. Unofficial	+ 01
High Gra	de 2	₽.	£ 200	2
3 months	6180-90 6280-90	+10	5080-90 5195-201	_80 -80
Settlem't Standard	6190	+30	` . - .	
Cash	6180-90 6280-90	+30	6080-90 6195-200	
Sattlem.1	6190	+30		;
Straits E.	:\$50,61	+0.02	: E :	

LEAD—Firmer in active trading. The stocks detiins, lower sterling and trade covering of U.S. hedge sales saw forward matel move up to £335 in the morning before profit-taking left the price at £335 on the morning kerb.

I.G. Index. Tel: 01-622 9192.

7

40.4

One month Gold 466.8-471.8 Our clients speculate, free of tax, in very small to very large amounts, on:

London Traded commodities, including GOLD. 2. The STERLING/DOLLAR exchange rate.

LG. Index Limited, 73 The Chase, SW4 ONP. CORAL INDEX: Close 499-504 (-4)

Oil Index

Telex: 894756

Refined April '81 \$42.20 Refined June '81 \$42.40

Refined May '81 \$42.15 Crude April '83 \$42.30

A FINANCIAL TIMES SURVEY

are set out below: -

L INTRODUCTION

The launch of the London oil futures market by the International Petroleum Exchange in April could prove to be a milestone in the development of London's commodity markets by attracting a whole new sphere of interest in this important raw material. Meanwhile the past year has seen the successful introduction of a potato futures contract, a revised wool market and greatly increased interest in soyabeanmeal and grain futures trading. Sugar was the star of the more traditional markets and there continued to be increasing speculative interest in commodities as an alternative. investment for funds seeking protection against inflation and currency changes.

OIL FUTURES 3. POTATO FUTURES 4 WORLD SITUATION

LONDON

6. COMMODITY COMPANIES COMMODERY FUNDS INVESTMENT.

INTERNATIONAL AGREEMENTS For further information please contact:

Simon Hicks Financial Times, Bracken House 10 Cannon Street, London EC4P 4BY

Tel: 01-248 5115 or 01-248 8000 Ext. 3211 The contents, size and publication dates of Surveys in the Finance. Times are subject to change at the discretion of the Editor In the afternoon the sharp fell in copper prompted renewed stilling of three months lead which declined to £333. However, renewed speculative interest had litted the price to £336 by the late kerb. Turnover 7,450 tonnes.

LEAD	'a.m. Official	+ or	p.m. Unofficiz	.+or
Cash 3 months 3 ment U.S. Spot	£ 3275 33625 327.5	+6	£ 524.5 534.25.	£ +3.75 5 +4.87
Morning months i 37.5, 38.5.	338, 38.5	j, 38,		B, 37,

336, 35, 34.5. Afternoon: Cash £325, 24; three months £333, 34, 35, 35.5, 35, 34.25. erb: Three months £334, ZINC-Little channed. Forward metal moved up to £350.5 in the more owing to currency considerations. late kerb at £345.5. Turnover: 11,900

ZING !	a.m. Official	+ or p.m. + or - Unofficil -
Cash 3 months 5 ment, Primw'ts	2 385-6 345-8 335	# # # # # # # # # # # # # # # # # # #
Morning	: Cash	£336.5, · 36; three

months £348, 47.5, 48. 47, 48.5, 45.5. Kerb: Three months £348. Afternoon: Three months £345. 45, 45.5. Kerb: Three months £345. 45, 45.5.

Three months £345.5, 45, 45.5.

ALUMINIUM—Easier in sympathy with other metals. Three months traded up to £673 on the pre-market following the decline in stariling against the dollar. However, profit-taking prompted by the weatness in copper. pared the price to £665.5 prior to a close to £670 on the \$16 kerb. Turnover: 5.725 tonnes.

a.m. + or p.m. + or Official - | Unofficial -# 12 E E E 655-4 -6 650-2 -6.5 667-9 -3.5 666-7 -2.75 Morning: Three months £671, 72, 73,

NICKEL—Quietly steady with forward metal closing the late ke.a at £2.850. Turnover: 300 tonnes.

SILVER

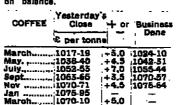
Silver was fixed 37.75p an ounce lower for spot delivery in the London bullion market yesterday at 532.85p.

SILVER Buillon + or LM.E. + or per fixing p.m. troy oz. price Unoffic'i 8pot 588,85p -37.7 529,75p -37.2 3 months 549,0p -38.7 546,5p -38.7 6 months 566,0p -41,3 12months 607,50p -35,5 -

LME-Turnover 120 (108) lots of 10,000 ounces. Morning: three months 562, 51, 50, 49, 48, 47.5, 47; 45.5, 47. Kerb: three months 545, 47. Atternoon: three months 549, 48, 47, 45, 46, 48.5.

970-971 -2.0 978-959 --- 1001-02 -1.0 1005-999 --- 1022-23 -1.5 1026-23 --- 1059-41 -2.5 1041-40 May_____

expected but by the end of the open-ing call showed gains of £5 on Friday's ing call showed gains of £5 on Friday's close. The market tended to trade in a tight range with switches again compiling most of the sarry sessions volume, reports D'exacl Burnham tamber. However, trade buying and general profit taking made for a better finish, closing unchanged to £7 higher on halonge.



Seles: 2,230 (2,675) lots of 5 tonnes. (CO Indicator prices for February 27 (U.S. cents per pound): Other Mild Arabicas 125.17 (124,83); Robustas ICA 1976 115.00 (same); ICA 1968 115.35 (same). Unwashed Arabicas unquoted. mp. daily ICA 1968 unquote

conditions values slipped batk 20p by lunch. A little buying support after lunch steadied the merket slightly to close the day unchanged to 10p down on wheat and 10p-20p down un barley. New crop wheat saw little interest and closed 10p-20p down, with barley sea-ling some trade in September closing about steady 5p-10p higher, reports

BARLEY Mar. 108.50 -0.18 97.30 -0.10 May... 111.50 - 100.05 -0.20 July. 115.30 -0.95 - 580 ... 98.40 -0.18 93.60 +0.95 Nov... 102.10 -0.20 97.30 +0.95 Jan... 106.00 -0.15 101.25 +0.10

Business done-Wheat: Mar. 108.60-108.40, May 111.55-111.25, July 115.35-115.00, Sept., Nev. and Jan. no trades. Sales 48 lots of 100 tonnes. Barley: Mar. 97.20-97.00, May 100.15-100.00, July no trade, Sept. 93.60-93.60, Nov. no trada, Jan. 101.25-101.25. Sales 56 lots of 100 tonnes.

Winter 13'2 per cent Mar. 109.50, April 110.75 transhipment east codet sellers. English Feed tob Mar. 12.50, April/ June 116.25 east coast sellers. Maize: French Mar. 123.00 trenshipment east coast seller. S. Airlican Yellow Mer./ April 88.50 seller. Barley: English Feed Rest unquoted.

RUBBER

The London physical market opened alightly steader with little interest

Jly Sept: 83,99-84,09'85,89-83,90'84,19-85,50'
Oct. Dec. 88,79-81,89(85,69-87,70'87,08-86,50'
Jan Mar: 83,59-89,50'85,48-63,50'
Apl Jne. 72,58-72,50'72,58-72,50' —
Jly Sept: 75,19-72,52975,29-73,58' 78,23-78,10'
Oct. Dec

Sales: 178 (579) at 15 tonnes and none at 5 tonnes. Physical closing prices (buyer) were: Spot 59.25p (59.00p), April 62.75p (62.50p), May

SOYABEAN MEAL came under pressure from trade sources with stop-loss selling and

closed around £3.00 down;

Yest'rd'ys + or Bu per tonne 119.66.20.9 — 3,0 124,46.20.00 ne. 124,56.24,8 — 3,0 127,96.24,40 19ust 125,46.27,2 — 3,0 129,56.21,50 125,66.29,8 — 2,50 125,66.29,8 — 2,50 126mber, 125,06.34,0 — 1,25 121,06.34,0 — 1,25 121,06.34,6 — 1,25 August ..

General sélkné interést developed which found only scattered support scale-down and prices lost some to over the day. Final quotations ware around the lows, raports C. Czernikow.

tract L' per tonne 256_25-56,50 255.75-94_06 288,00-55.00
...,254_25-64,75-261_08-51_59_255_01-52_00
...,50_25-56_50_25-55_50_257_00-47-56_00
...,256_50-37_50_259_20-38_50_258_00-35_00
...,256_50-37_50_259_20-38_50_258_00-35_00
...,258_50-58_00_258_50-40_56_248_00-55_50
...,258_50-58_00_258_50-40_00
...,254_80-58_50

Sales: 6245 (6,047) lots of 50 tonnes. Sales: 6245 (6,047) lots of 50 tonnes.
LONDON DALLY PRICE (raw sugar 2265.00 (same) a tonne cif for Feb. March-April shipments. Whita sugar dally price was 2284.00 (same).
Tata and Lyle ax-refinery price for granulated basis whita sugar was 1242.5 (same) a tonne for home trade and 2335.0 (2336.0) for export.
International Stuer Agreement (LLS. International Sugar Agreement (U.S. Cents per pound fob and stowed Caribbean port. Prices for February 27: Daily price 23.42 (23.31), 15-day average 24.06 (24.15).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 342 tonnes. After the very small offlake lest wask. buyers resumed purchasing on a free scale. Various American type growth: resumed purchasing on a free were in demand, and operations were fixed up in Russian, Turkish and South American styles.

BRADFORD WOOL Prices rose sharply, mainly on currency grounds. There was a limited amount of busi-ness, but the market is awaiting further starling-related price changes. LONDON NEW ZEALAND CROSS-BREDS-Close (in order buyer, seller, business, sales). New Zealand cents

WOOL FUTURES

per kilo. Mer. 338, 347, nil. nil; May 348, 353, nil, nil; Aug. 360, 368, nil, nil; Oct. 369, 378, 372, 10; Dec. 377, 363, 379, 10; Jan. 378, 380, 380, 5; Mar. 380, 385, 383, 5; May 380, 387, and all nil; Sales 383, 16; Aug. 383, 389, nil, nil. Sales SYDNEY GREASY WOOL-Close (in order buyer, setter, business, sales). Australian cents per kilo. Merch 478.0, 480.0, 478.5-475.5, 118; May 484.5, 494.5.

PRICE CHANGES

Numinjum \$320,815 \$810,815 Free Mkt \$1420,1450 —30 ;\$(400,450 Copper 5791.5 -16 £781
5 mths. £815.25 -15.25 £603.75
Cash Cathode. £787.5 -17.5 £788.5
5 mths. £802.5 -15 £788
Gold troy oz. £465.5 -24 \$496.5
Lead Cash. £324.25 +3.75 £285.75
Nickel. \$ £334.375 +4.875 £285.75
Nickel. \$ £23.558.65 +222.5 £23.298.57
Freemkt. £85.505c 279.280c

.... £6,085 —85 £5,845

nut (Phil). \$605; \$600 Secus Copra Philip..... \$415x \$420 Soyabean(U.S.) \$508 —1 |\$301

rsins arley Futures 2100,05 _--0,28,2101,20 Other

† Unquoted. w March. x March-April, v May. y April. z Indicator. § Buyer. ‡ Per 75 lb flask, * Nominal.

TEA AUCTION LONDON TEA AUCTION-50,270 packages were on offer at yesterday's auction. The market was again strong.
Assem CTC's continued to meet with
keen competition and put on 2p-3p,
while Bangladesh teas came in forimproved demand at fully firm rates.

Bright East Africans were often dearer, perticularly dusts but mediums opened very irregular and closed alightly seaser. Malewi CTC's stayed alignaly sealer. Malign Cric 3 20748 firm but Mozambeque orthodox sorts lost 2p-3p. Ceylons sold well and brighter tess advanced. Quotations: Quality 125p a kilo (125p), Medium 108p (106p). Plain 63p (55p).

POTATOES

LONDON POTATO FUTURES-Morning trade was quiet, with the market ewerting news from the PMB meeting. The announcement of a second buying programme moved April up to ESO initially after funch, where heavy selling was alter lunch, where heavy salling was attracted depressing the price to 58.50 before some recovery was saen towards the close, reports Coley and Harper. Closing prices: April 58.90 –30 (high 60.00, low 58.50); Nev. 58.00 +10 (high 58.60, low 58.00); Feb. 67.00 –30 (high 57.20, low 67.00). Turnover: 186 (110) lots of 40 tennes,

Scotch killed sides 72.5 to 76.4: Ulster hindquarters 89.5 to 81.5. forequesters 80.0 to 81.5: Elen hindquarters 80.0 to 92.0, forequerters 68.8 to 61.1. Vest: Dutch finds and ends 111,0 to 114.0. Lamb: Enlish smell 76.0 to 83.6, medium 77.2 to 83.2, heavy 70,5 to 80.0; Scotch heavy 70.0 to 78.0. Imported frozen; NZ pl 56.0 to 56.5, pm 55.0 to 56.0. Pork: English, under 100 lbs 43,9 to 50.1, 100-120 lbs 43.6 to 48.4, 120-160 lbs 41.6 to 48.9.

480.0, 478.5-475.5, 118; May 484.5, 493.5, 483.0-481.0, 112: Oct. 489.1, 490.0, 491.0-490.0, 14: Dec. 493.1, 495.0, 485.0-483.5, 11: an March 501.5, 503.0, 503.0-501.5, 17; May 506.0, 508.0, 508.0, 508.0-507.0, 12; July 501.0-501.0, 508.0, 508.0, 508.0-507.0, 12; July 501.0-501.0, 508.0,

AMERICAN MARKETS

A DEFLATIONARY psychology related to a strong dollar, high interest rates and a general economic slowdown in industrial countries has embraced all major markets. It's impact has been on the total demand, reducing or aliminating any incentive to carry or build inventories. With this back-ground all commodities suffered heavy 1239.0, Aug. 1273.0, Oct. 1307.0, Dec. 1307 1341.0, Feb. 1375.0, April 1409.0, June 1443.0, Aug. 1477.0, Oct. 1511.0, April 1813.0, June 1647.0, Aug. 1681.0, Oct.

Copper—March 77.20-77.30 (80.15), April 78.30 -(81.35), May 79.40-79.60, July 81.70-81.80, Sept. 84.20, Dec. 87.90, Jan. 88.40, March 90.40, May 92.15, July 93.50, Sept. 95.65, Dec. 98.25, Jan. 99.10, Sales 10.000. (141,4), Nov. 86.9-87.0 (87,8), Salas

Sugar—No. 11: May 23.45-23.50 (24.03), July 23.65-23.70 (24.27), Sept. 23.40. Oct. 23.30-23.36, Jan. 21.85-22.00, March 21.95-22.00, May 21.90-22.10. July 21.90-22.20. Sales 8.795. -620.0-632.0 (630.0-636.0).

Lard—Chicago loose 19.25 (seme). Live Cattle—April 63.76-83.90 (65.05). June 68.60-68.77 (67.77), Aug. 67.10-67.25. Oct. 85.70-65.65, Dec. 66.90. Feb. 67.60, April 70.30. CHICAGO, March 2. Live Hoss—April 42.30-42.45 (43.60), June 47.37 (48.87), July 49.37, Aug. 48.50. Oct. 47.65, Dec. 50.85, Feb. 53.70, April 53.15, June 57.00.

unless otherwise stated. *5 per troy ounce. † Cents per set troy ounce. †† Cents per set-lib bushel. † Cents per e0-lib bushel. | 15 per short ton 2,000 lbs). § SCan. per metric ton 55 S per 1,000 sq. feat. ‡ Cents per dozen. †† 5 per metric ton.

7324-731 (761), July 758-757, Aug. 76184, Sept. 775, Nov. 793-792, Jan. 811. March 834. 811. March 834.

§Soyabean Meal—Merch 198.0-197.5
(206.2). May 207.0-207.5 (215.2). July 214.2-214.5, Aug. 217.8, Sept. 221.5-222.0, Dec. 227.5-223.0
Jan. 230.5, March —, May —.

Soyabean Oil—Merch 23.25-23.30
(24.02). May 24.00-24.05 (24.84). July 24.85-24.90, Aug. 25.20, Sept. 25.50, Oct. 25.80. Dec. 26.40-26.45, Jen. 26.70. March 27.39. May 27.80.

†Wheat—March 436-435¹₂ (447¹₂), May 440-441 (457²-), July 443¹-443, Sept. 458, Dec. 480¹₂, March 498.

All cents per pound ex-warshouss unless otherwise stated. *S per troy ounce. *Cents per troy ounce.

me -March 707 (737). May

EUROPEAN MARKETS

Aug. \$220, Sept. \$223.

Malze—Adi \$167, March \$167.75.

April \$171, May 172.75. June \$176.

July/Sept. \$177.25. Oct./Dec. \$175.50.

Soysbeans—U.S. Two Yellow Guliporis all \$300. April \$302, May \$310.50.

June \$316, July \$319, Aug. \$323, Sept. \$327. Oct./Nov. \$328. Dec. \$336, Jan. \$341, Fab. \$347. March \$349. Argantine June/July \$313.50. Arg./Urg./Braz./

Gulf May \$307.50, June \$311.50. July

ROTTERDAM, March 2.

Wheet U.S. Two Dark Nard Winter
13.5 per cent April \$224, May \$224,
June \$224.50, U.S. No Two Red Winter
March \$210, April \$214, May \$218.
U.S. No Two Northern Spring 14 per
cent May \$218. June \$217, July \$217,
Aug. \$220, Sept. \$223.

March \$224, Sept. \$223.

Aug. \$220, Sept. \$223.

March \$224, Sept. \$225.

Aug. \$220, Sept. \$223.

March \$225, Sept. \$226.

Aug. \$220, Sept. \$226.

March \$225, Sept. \$226.

Aug. \$220, Sept. \$226.

March \$225, Sept. \$226.

Aug. \$220, Sept. \$226.

March \$225, Sept. \$226.

Aug. \$226, Sept. \$226.

Aug PARIS, March 2.
Cocos (FFr per 100 kilos)—Merch 980-970. May 988-1,004, July 1,010, Sept. 1,050-1,060. Dec. 1,070, March 1,115-1,135, May 1,130-1,150. Sales at call D. Sugar (FFr per tonne)—May 3.050-3.051, July 3.020-3.055, Aug. 2.990-2.995, Oct. 2.895-2.905, Nov. unquoted. Dec. 2.745-2.780, March 2.695-2.780, May 2.680-2.770. Sales at call 12.

DOW JONES

Dow Feb. Feb Month Year Jones 27 26 ago ago

Spot 425,77 419,34419.50426,39 Fut're 440,76 481,01443,10,447.67

(Average 1924-25-26=100)

(Base: September 18, 1931 - 100)

INDICES FINANCIAL TIMES Feb. 27Feb.26 Month ago Year ago

259.93 259.55 251.88 304.13 (Bass: July. 1, 1952-100). MOODY'S Feb. 27 Feb. 26 Month ago Year ago

1140,7 1183,4 , 1165,2 1395,7

(December 31, 1931-100)

RELITERS Mar, 2 Feb. 27 M nth ago Year ago 1748.1 1742.0 1680.0 1860.4

JUTE-March C and F Dundee: RWC C236. BWD £196, BTB £290, BTC £232, BTD £197. C and F Antwerp; BWC \$525. \$438. Jute goods C and F Dundes: March 40 in 10 oz £10.31, 40 in 7.5 oz

GRIMSBY FISH—Supply demand good. Prices at ship's side (unprocessed) per stone: Shelf cod [3.00-63,20] coddings ft.80-63.00. Large haddock £3,40-£4,80. Large haddock £3.40-£4.80, medium £2.40-£3.80, small £1.60-£2.80. Large plaice 3.50-£4.20, madium £2.00-£2.20, bost small £1.80-£2.40. Skinned dog-fish (medium) £11.00. Lempn acles (large) £12.00, (medium) £10.50. Saithe £1.40-£2.00.

COVENT GARDEN-Prices for the bulk of produce, in sterling per package except where otherwise stated: imported Produce: Oranges—Jaffa: Imported Produce: Oranges—Jaffa: Shamouris 50/189 4.30-5,05; Spanie: Shamoutis 50/189 4.30-5,05; Spanie: Navels 48/100 3.80-4.50; Moroccan: Navels 56/122 4.00-4.20; Cyprus: Shamoutis 15-kg 42/112 2.50; Egyptian: 72/125 2.50. Lemons—Spania: Trays 25/54 2.20-2.40; Cyprus: 10-kg 4.00-4.50; Californian: 95/115 6.50; Italian: 100/120 3.75-4.00; S. African: 80/100 6.00; Jaffa: 5.80; Grepefruit—Cyprus: 6.00; Jeffa: 5.80. Grapefruit-Cyprus: 20-kg, 40/64 3.00-4.00; Jaffa: 20-kg 35

.45, 40 4.50, 48 4.65 55 4.40, 64 4 65. 75 3.85; Egyptian: 30/100 2.50. Satsumas—Spania: 90/105/128 4.40. 144/154 4.20, 168 4.00. Wilkings— Spania: 140 5.20, 154 4.80, 168 4.60. 182 4.00; Jeffa: 22-16 80/90 4.20. Temples—Jeile: 24-lb 80/82 4.70-5.20. Apples—French: Stark Crimson 40-lb 3.80-5.00, Golden Delicious 40-lb 125/ 175 3.60-5.00, Granny Smith 40-16 5.00-6.40, 20-16 72 3.20, 84 2.60; Italian; 40-16 Romas 60/70 4.20, Granny Smith 40-16 Homes 60/70 4.20, Granny Smith 19/20-16 60/70 2.50; Hungarian: Stark-ing 44-16 6.40; Canadian: Red Delicious 136/150 8.50-8.0; US: Red Delicious 10.00-10.50; Belgian: 28-16, per pound Cox's 0.10-0.14; Dutch: 28-16, per pound 0.09-0.14. Pears—Dutches.—Per han English Produces.—Potents—Per han 1.60-2.20. Mushrooms—Per pound 0.50-0.80. Apples—Per pound Bramleys 0.06-0.14, Spartens 0.14-0.18. Cox's Crange Pippins 0.10-0.24, Russets 0.12-0.15, Extong 0.06-0.10. Pears—Per Conference 0.06-0.15. Coxide 1.50 Coxide 1.5

pound Conference 0.06-0.15. Con 0.14-0.18. Cabbages—Per bag 1 White cabbages—Per bag 1 White cabbages 3.40. Bestmots—Per bag 1.40-7.80. Lettuce—Per 12, round 1.80-1.80. Cucumbers—Per 15/18 5.20-Per pound forced 0.18-0.20. Centos— Per 28-11b 1.40-1 50 Ontons—Per bag 2.70-3.20. Celery—Per pack neked 16/

COMMODITIES 72,5, 71, 70.5; 70, 67, 68. months £569. Afternoon: Three months £567, 65. Kerb: Three months £567, 68, 70, 69. 6th APRIL, 1981 A.m. + or p.m. + or Official - Unofficial -WHEAT The Financial Times proposes to publish a survey on Commodities. The main headings of the provisional synopsis

Marning: Three months 12,855. 50. Alternoon: Three months 12,850.

builion market yesterday at 352.659.
U.S. squivalents of the lixing larels were: spot \$11.6, down 93.c; threamonth \$12.081, down 93.4c; six-month \$12.614, down \$1.005; and 12-month \$13.75, down 90c. The metal opened at 551p.580p (\$11.95.\$12.15) and closed at 524p.533p (\$11.46.\$11.85).

Cocoa futures were barely steady as prices readed within a narrow range to close with marginal losses. A total of 2,336 Ivory Coast tenders were posted causing the spot March position to depreciate to a £50 discount to May, reports Gill and Duffus. Yes'rday's + or Business Close - Done COCOA

865-866 —13.5 883-866 926-927 —4.0 933-923 949-950 —2.0 955-947

Sales: 3,058 (3,887) lots of 10 tonnes. ICCO Futures—Daily price for Fab. 27 95.08 (95.73); five-day average 92.20

Yesterday's
COFFEE Close + or Business
Dene

1070-71 1075-95 1070-10

LONDON GRAIN FUTURE—The market opened unchanged to 5p lower on old crop barley, in unacelly quiet trading conditions values slipped back 20p by

LONDON GRAINS-Wheat: U.S. Hard

HGCA-Locational ex-farm prices. Feed barley: E. Midlends 96.90, N. Eust 95.00, Scotland 93.90. Other milling wheat: Eastern 109.50. The UK Manetary Coefficient for the week Beginning Monday, March 9 (based on HGCA calculations using four dates extended 10. days exchange rates) is expected to change to 0.851.

throughout the day, closing inactive. Lewis and Poat reported an tob Merch price for No. 1 RSS in Kuais Lumpur of 283 (285.75) cents a kg and SMR 20 at 261.5 (252.5).

FINANCIAL TIMES STOCK INDICES

Earnings, Yid. 2(full) 15.15 15.00 16.06 13.88 16.81 16.63 17.56 P/E Ratio (net) (*) 8:14 8.22 7.51 7.70 7.55 7.44 8.98 Equity turnover £m. - 176.73 171.22 152.26 136.68 135.17 89.99

68.97 69.12 69.26 69.34 69.42 69.23 64.60 70.75 71.08 71.15 71.15 71.08 70.78 85.26

510.4 606.6 497.8 502.0 494.5 486.8 463.5 309.9 837.5 548.4 830.6 338.2 341.0 -375.4

7.04 6.97 7.09 7.17 7.28 7.39 7.26

Equity leaders drift lower on lack of follow-through support-Share index closes 5.2 down at 501.4

Account Dealing Dates Option

Feb. 9 Feb. 26 Feb. 27 Mar. 9 Mar. 2 Mar. 12 Mar. 13 Mar. 23 Mar. 16 Mar. 26 Mar. 27 Apr. 6 " New time" dealings may take place from 9 am two business days earlier.

The new trading Account, to 641, which covers Budget day, in London equity markets got off to a rather drab start yesterday following a lull in the recent investment enthusiasm encouraged by hopes of a forthcoming large reduction in Minimum Lending

Potential investors gained little comfort from a clutch of economic surveys, including the Confederation of British Industry's monthly trade inquiry and its suggestion that the trough in UK recession may be near. With next week's Budget very much in mind, buyers appeared reluctant to chase equity values

The lack of follow-through to last Friday's support gave jobbers cause to mark prices a shade lower and, although little real selling developed, most leading shares eased further. The FT 30-share index, as a result, closed 5.2 down at 501.4.

The currently popular Electrical sector led the downturn, business in this area again being relatively lively. Elsewhere, Fisons net annual trading loss and reduced final dividend payment, which followed hard on the heels of last Thursday's ICI shock, caused little surprise. Because of a resurgance of bid hopes. Fisons moved up sharply and closed 17 higher at 142p. Secondary issues, in contrast to the leaders, provided fairly numerous bright spots owing to

British Funds passed an uninspiring session. With the exceplow-coupon issues in

The following shares quoted in the Share information Service yesterday attained new fight and Lows for 1980-81.

NEW HIGHS (157)

LEISURE (4)
MOTORS (2)
NEWSPAPERS (2)
PAPER (6)
PROPERTY (13)

EQUITY GROUPS

& SUB-SECTIONS

Metals and Metal Forming (13)

Other Industrial Materials (16). CONSUMER GROUP (198).

Newspapers, Publishing (12) . Packaging and Paper (15)

OTHER GROUPS (79)

Office Equipment (6)

500 SHARE INDEX

Discount Houses (10).

insurance (Comoosite) (9)

Insurance Brokers (9).

Mining Finance (3) ..

Property (45).

British Governm

Over 15 years.

INDUSTRIAL GROUP (488)

Motors (21).

Leisure (22) ..

Textiles (20.) Tobaccos (3)

Chemicals (15).

BRITISH FUNDS (1)
INTERNATIONAL BANK (1)
I'WEALTH & AFRICAN LOANS (1)
LOANS (1)
AMERICANS (18)
BANKE (7)

First Declara- Last Account firmer. But occasional offerings Dealings tions Dealings Day and the lack of fresh investment incentive saw the gains eventually replaced by small losses. Comparisons with the proposed new stock brought pressure to bear on Transport 3 per cent 1978/88, which fell an exceptional

> Reflecting the sharp decline in the bullion price. South African gold mining shares recorded substantial losses and the Gold Mines index fell 27.6 to 309.9. The reaction was attributed more to precautionary marking down on the part of jobbers than to any

weight of selling. Investment demand ahead of being quoted ex-the first dividend payment later this month lifted Zimbabwe Settlement Annuities

Traded options attracted a total of 720 contracts—less than half last week's daily average of 1,475. A reasonable business which recorded 205 trades. In first-time dealings, Espley-Tyas Property established a useful premium over the placing

price of 76p; the shares opened

Royals dip & rally

at 104p and closed at 97p.

Royals' preliminary figures were deemed satisfactory and after easing to 385p, the shares rallied to close a touch harder on balance at 388p. Other Composite Insurances drifted lower on sporadic profit-taking after Friday's good gains. Eagle Star dipped 3 to 243p and General Accident softened 2 to 318p; the latter's annual figures are due tomorrow. Lloyds brokers were which rose 8 to 238p in response to ' Press comment, while Brentnall Beard were marked up

Corpns., Dom. and Foreign Bonds ... Industrials

Financial and Prop.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Mon., March 2, 1981

13.14

17.62 19.63

16.44 17.24

9.71 10.21 14.93 19.58 25.20

11.44 17.66

41.74

12.80

3.08

__ 15.18

Day's Change %

-0.1 +0.6 +0.5

-0.6 +2.0 +0.1

+0.6 -0.1 -0.4 -0.5 +0.4 +1.1 -0.2 +0.5 -0.5 +0.5 -0.5 +0.5 -0.5 -0.5 -0.5 -0.5 -0.5

424.39

188.05 149.66 92.28

329.89 252.53

227.48 463.94 268.21 374.49 448.99 126.74

259.95 145.24

223.20 264.52

213.44 255.92

595 32

233.82 312.91

161.98 356.39

155.39 482.45

FIXED INTEREST PRICE INDICES

108.02

119.79

112.92

225.53

20-yr. Red. Deb. & Loans (15)

Investment Trust Prefs. (15)

Day's change %

-0.03

-010

~0.14

-0.24

-0.89

102.06

110.95

123,19

126,16

110.42

+0.3 -1.0 -0.6 +1.1

+1.8 -1.0

-3.8 -0.4 11.90

xri adj. today

0.06

0.11

8.33

0.06

Mon., March 2

xdad]. 1981

2.48

15

216

1.78

2.16

Friday

Gross Div. Yield % (ACT

6.17 5.12

2.54 6.10

8.98 6.69 6.25 6.49 6.97 3.47 5.48 6.11 6.96 9.58 4.87 9.19

7.19 10.43 7.27 7.14 8.17 7.52 6.32 6.23

7.61 5.92

7.33 6.50

4.98 2.57

5.28 6.24 6.60

Est. P/E Ratio (Net)

9.28

7.13 6.53

9.08

7.19 5.87

8.32 8.09

7.22 6.88 12.17

11.64 8.26 6.67 4.60

11.44 7.40 4.48 8.49 8.89

11.01

13.90

10.69

45.16

YIELDS

British Govt. Av. Gross Red.

25 years.

25 years.

5 years.

25 years...

Wed. Tues. Feb. Feb. 25 24

316.38

493.58

1038.74 415.94 187.93 148.72 92.37

322.09 253.40

283.38 226.58 458.84 262.99 373.59

446.69 126.95

261.38 144.51 229.47 263.57

261.05

578.49 273.53

238.88 263.46

162.92 352.51

152.59 487.12

178.16

251.66 246.65 239.86 236.36 311.78 313.98

265.99 -03 14.19 5.98 8.60 269.71 36.02 268.19 265.66 234.75 880.24 -0.3 27.26 5.98 4.08 862.51 674.43 850.77 862.18 834.75 317.43 -0.3 17.01 5.98 6.94 318.28 314.23 314.46 311.40 281.96

2 to 21p for a similar reason. Grindlays continued firmly in the vicinity of the new Treasury the banking sector, rising 4 3 per cept 1986 stock, afresh to 180p amid speculation Fisons touched 145p before

NEW HIGHS AND LOWS FOR 1980/81 NEW LOWS (8) CHEMICALS (1) ELECTRICALS (1) ENGINEERING (3) PAPER (1) Gold Fields S.A. Whim Creek

> RISES AND FALLS YESTERDAY 194 65-13 2 87 12

> > Thurs. Feb. 26

311.72

249.22.

275.26

224.00 451.67

255.86 349.83 445.11 124.59

258.67 142.76 224.83

262.52 214.61

574.56 271.69

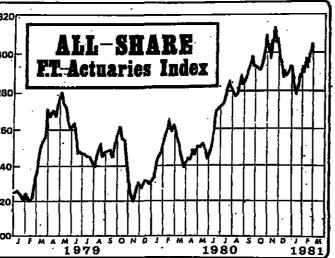
239.81 257.70

157.65 342.75

- 290.48 260.81 289.19 287.90 7.85 223.57 221.74 219.46 217.39 10.33 451.35 453.15 450.80 448.56

265.09 282.43 107.03 196.36

today. Standard Chartered added contrast, Allebone encountered firmed 5 to 82p; the company has at 708p on investment demand, further profit-taking as bid hopes acquired Variety Inns for while ANZ gained 8 to 240p. faded and shed 41 more to 26p. £955,000. Merchant banks came in for Another good business was Second Merchant banks came in for Another good business was Secondary issues provided the selective support. Hambros transacted in leading Electricals. main focal points in jumped 25 to a 1980-81 peak of The tendency was lower with inscellaneous industrials. Hunting Associated ardinary and 710p, Goode Durrant and Murray profit-taking outweighing fresh added 4 at 33p xd and Mercury support but the falls were often



Securities advanced 5 to 230p. moderate. Thorn EMI ended a Home banks, bowever, were couple of pence off at 314p, after friendless. Lloyds lost 7½ at 310p and Plessey a net 5 lower 318p xd and NatWest cheapened at 318p. Eisewhere, Eurotherm 6 to 362p xd. found support at 293p, up 8, and A touch firmer at first, leadsimilar gains were seen in Tele phone Rentals, 290p, and Whole-sale Fittings, 238p. Farnell put ing Buildings drifted off to close little changed. Selected secon-dary issues, however, continued on 7 to 362p and Derritron revived with a gain of 3 to 18p. Scan Data added 10 at 230p.

announcement.

Dealings in Brocks Group were

suspended at 18p pending an

Engineerings, jumping 33 to 338p on persistent demand in a thin

market. Davy Corporation rose

8 to 162p on hopes of a bid to counter the offer from Ensearch

of America, while F. Pratt gained

5 at 119p on revived takeover talk. Westland put on 4 at 134p.

Neepsend edged forward a frac-

tion to 13p despite the interim

dividend omission and £1.7m half-

Foods had a mixed appearance.

to 162p, but Tate and Lyle

Rowntree Mackintosh improved

shed that much to 170p. J. Sainsbury, dull of late on a

broker's adverse circular, picked

up 7 to 345p. Elsewhere, Argyll shed 5 to 123p following a "take

Financial Times

recommendation, but

Holdings highlighted

attract speculative attention on cheaper money possibilities.

John Mcwlem firmed 6 to 136p. while J. Jarvis added 4 at 194p and Crouch Group gained 6 at 156p. Press comment directed attention towards G. M. Callender, which put on 7 to 40p. Against the trend, Richards and Wallington shed 3 to 22p on news that the company had passed the preference dividend.

closing a net 17 dearer at 142p, the net loss and dividend cut being outweighed by revived bid speculation. ICI, still over-dividend omi shadowed by the poor prelimi-year deficit. pary results and sharply reduced dividend, shed 5 more to 250p xd. Among other Chemcals, Blagden and Noakes shed 4 to 98p after the announcement of sharply lower annual profits and dividend

Business in Stores was slow to develop and most issues moved lower. Although a firmer tone was noted towards the close, falls among the leaders still ranged to 5. GUS "A" fell that amount to 475p, after 473p, while Burton. a rising market of late, slipped 4 to 126p. Secondary counters were narrowly mixed. Owen Owen came in for renewed sup port and rose 4 to 140p, while

A. G. Stanley added 3 at 68p

index No.

312.49

277.35

25L87

259.41. 368.58 446.61. 126.70

144.12 226.33

486.09 484.50 1022.79 1021.91 413.58 474.69 184.56 125.94 146.68 148.96 89.79 99.73

index No.

309.31 275.52 478.02

147.17 89.84

249.82 272.82

223.99 456.52

365.16

445.65 125.26

140.80

57275 565.63 489.47 27251 271.31 250.65

346.53

Feb. 27

12*2*7

1249

13.10

13.85 13.71

13.12

14.06

13.39

11.70

248.38 245.79 236.55 239.59 313.39 312.65

234.25 258.30

159.68 348.84 152.03

480.21. 486.92 485.93 177.92 176.71 176.84

384.16 380.30 380.69 297.86 263.23

March 2

1231 1252

13.11

13.87 13.74

13.13

14.08 13.93

11.73

Mon. Feb. 23

ladez No.

247.A7

302.64 441.92

131.83

130.98

188.41 175.42

297 11

132.76

12.94

25.20

14.29

15.18

14.85

14.72

announced last Friday, quotathat the rumoured bid from Elys (Wimbledon) ended 5 to favourable Press comment. a gain of 8 at tions generally opened slightly lioyds might be announced with the good at 177p, while Amber Hotels and Caterers featured Bezzer put or the good at 177p, while Amber Hotels and Caterers featured Bezzer put or peak of 108p.

Day hardened 11 to 28p. In Prince of Wales Hotels, which peak of 108p.

Secondary issues provided the ing Associated ordinary and Deferred jumped 35 to 310p and 205p respectively on buying in a thin market fuelled by talk of lucrative contract. European Ferries gained 61 to 166p on investment buying, while British Vita firmed 6 to 140p and AAH added 7 to 187p awaiting their respective trading statements due today. J. Bibby gained 8 to 286p following Press comment and Alpine Holdings appreciated 4 to 75p for a similar reason. News that the public sector has placed some £50m-worth of computer orders helped ICL improve 2 to 37p. Clement Clarke were notable for a gain of 6 at 98p, after 101p. Davies and Newman added S at 144p and Gripperrods improved 7 at 135p, while improvements of around 3 were seen in dry-cleaning issues, Provincial, 45p, and Brengreen, 44p. The leaders lacked fresh support and drifted easier.

483p, after 480p. Movements in Motors were usually restricted to a couple of pence either way. Components, Lucas, firm of late the electric vehicle venture with Chloride, eased 2 to 191p. but an investment recommenda-tion aided Bluemel Bros., rise 4 to 34p. In Distributors, Kenning firmed 2 to 75p in the wake of the annual report, while gains of 4 were recorded in Harold Perry, 73p, and Adams and Gibbon, 60p xd.

In front of today's preliminary results, Unilever softened 2 to

Newspapers were quietly firm, Associated adding 3 at 273p. Elsewhere, Gordon and Gotch attracted demand in a restricted market and advanced 20 to 133p. Advertisers came in for suppor and Geers Gross rose 4 to 75p More O'Ferrall, 123p, and Saatchi and Saatchi, 322p, added 5 and 10 respectively. Allied International Designers firmed 3 to 30p following the increased full-year

Properties pressure and Land Securities shed 8 at 396p, while MEPC declined 5 to 235p. Stock Conversion gave up 7 at 345p and Haslemere Estates 6 at 396p Among the few bright spots, M. P. Kent responded to a Glass Glover put on 6 to 62p after favourable Press mention with

February | January | December | November

69,23 | 68,70 | 69,06 ! 70,84

MONTHLY AVERAGES OF STOCK INDICES

Fixed Interest	487.0 322.7	70.46 459.6 354.7 19,480†	70.84 470.1 454.8 17,739	71.94 493.4 475.5 82,127
F.T. — Actuaries Industrial Group 500 Share Financial Group All-Share (750) Red, Debs. & Loans	309,19	247,57 297,85 232,64 284,75 52,07	252.28 307.59 234.44 292.72 53.49	258,76 318,98 248,56 305,07 54,33
	HI	gh	Le	766
Industrial OrdinaryAll-Share		(27th)		6 (2nd) 3 (2nd)
. †0	Correction			
Above average activity was no Closing Or Stock price(p) che Bluemel Bros 34	ey's enge Sto F 4 GEC		Clasi price 64	ing Day's

OPTIONS

Plessey
Thom EMI

- 15 -22

+17

First Last	Last For	gurli, FNFC, Barratt Develop
Deal- Deal-	Declara- Settle-	ments, Dunlop, British Aero
ings ings	tion ment	space. Bristol Evening Post
	June 11 June 22	ICL, Town and City Properties
Mar. 23 Apr.	3 June 25 July 6	Charterhall, C. E. Heath, Rand
	July 9 July 20	London, ICI and BSR. Puts
	ations see end of	
	mation Service	and Grootviel, while doubles
	ired for the call	
	the North Kal-	Rurton Warrants

CALITICS

RECENT ISSUES

					EQUITIE3						
lssu Prio	e Eğ	Ronunc.	-	0/81 Low	Stock	Price Price	+ 01	Divi P.	Covered	Yedge	ᆈ
75! 10 4:	0 F.F F.F 2 F.F 2 F.F F.F	13.3 13/5 13/5	164 8 105 102 45	1534 612 97 95 38 712 12	BritishAerospace 50/ '\$Crest IntScs. l8p *Dunton 5p	164 712 97 100 39 712 13		ьа.92 —	- 6.4	5.8 - 9.3	20
				•							

FIXED INTEREST STOCKS

jasue to price	Amount Paid Up	Latest Remuno Date	1980;81 High, Low	Stock	Closing Price P	+ or
96 •100	£10 F.P.	12/2 27/5 24/7 20/1	1181 ₂ :1061 2156: 205 12 : 12 135p 107p		12 133p 125	

"RIGHTS" OFFERS

issue Price P†	Am'unt pald up	Renunc.	1980/81 High Low	Stock	Olosing Prices	+or
	F.P. Nil Nil F.P. F.P.	27/2 27/3 9/5 22/5 18/2 13/3 29/1 13/5 9/3 3/4 16/2 27/3 23/1 20/3	128 115 27pm 17pm 180pm 175pm 65 5112 240 188 5pm 21ppm	Argyli Foods	125 27pm 175pm 541 ₂ 240 31 ₄ pm 87	+2 +2 +4 +4 +14 +12 +2

Ranunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimats. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's semilups. F Dividend and yield based on prespectus or other official estimate for 1879. Q Gross. T Figures assumed. 2 Cover allows for conversion of shares not now ranking for dividend or ranking mily for restricted dividends. § Placing price to public. pt Pence enless otherwise indicated. I Issued by tender. I Official to holders of ordinary shares as a "righter." ** Issued by way of capitalisation. §§ Reintroduced. It Issued to former preference holders. A Allotment letters (or tully-paid). Provisional or partiy-paid allotment letters. * With warrants. †† Deslings under special Rule. § Unilsted Securities Market. ‡‡ London Listing. † Resulting from dabt settlement scheme. ‡‡ Units comprising 125 A Ord. & § 12°% Cum. Prei. 52.40 14.15 62.37 62.37 52.32 52.33 52.32 52.31 52.30 50.29 51.06 | 13.25 | 50.90 | 50.90 | 50.76 | 50.76 | 50.71 | 50.71 | 50.71 | 48.15 68.54 13.22 68.37 68.29 68.37 68.41 68.24 68.07 68.07 61.55 t Redamption yield. Highs and lows record base dates and values and constituent changes are published in urday issues. A new list of the constituents is evailable from the Publishers, the Financial Times, Bracker House,

a gain of 6 at 130p, while C. H Beazer put on 7 to a 1980-81

was generally subdued. Term-

4. Dawson International rose 4 to 168p, but Nottingham Manufacturing eased a couple of pence to 119p. Profit-taking left Textured Jersey 7 lower at 86p. Dealings in Yorkshire Fine Woollen Spinners, suspended in December at 27p, resumed at 28p before a close of 31p:

With one or two exceptions mining issues sustained sizeable losses as renewed strength in increased interest rates in Continental Function Continental Europe prompted a sharp fall in the bullion price. The latter closed \$24 down at \$466.50 an ounce—its lowest closing level since December 14,

marked down sharply at the outset and continued to lose ground throughout the day

Oils passed session and usually closed a few pence easier. Lack of interest clipped a couple of pence from

Selected Textiles continued to

South African Golds were

British Petroleum, at 412p, and Lasmo eased 5 to 645p. Else-where, Kenmare gained 8 to 44p on revived spectacular

make progress although trading Consulate spurted 7 to 66p on speculative support, while David Dixon remained firm at 118p, up

Golds under pressure

Equity bargainstotal - 21,422 21,708 18,775 18,658 19,300 15,973 : 10 am 504.2. 11 am 504.1. Noon 502.0. 1 pm 591.2. 2 pm 501.0. 3 pm 500.8.

Latest Index 01-246 8026. *Nil=7.48. * Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/8/55. SE Activity 1974.

HIGHS AND LOWS S.E. ACTIVITY

	196	0/81	SinceCo	mpilatin			
	High	Liow	High ·	i. Low	1	Feb. 27	Feb. 86
Govt. Secs.	72.54 (21/7/80)	63,85 (1,8,80)		49 18 (6) 1776)	Daily Gilt Edged Bargains Equities	202.8	230,4
Fixed Int	74.08 (24/7/80)	64.70 (10/8/80)	150.4 (28/11/47)	. 50.53 (8/1/76)	Bargains Value	357.2	140.6 346,1
Ind.Ord	515.9 (21/11/80)	406_9 (8/1/80)	.558,6 (4/5/79)	49.4 (28/6/40)	5-day Avrge. Gift Edged Bargains	247_2	249.2
Gold Mines.	558.9 (22/3/66)	265,5 (18/3/60)	(\$2/9/80)	43.5 (26)10/71)	Equities	129.4 304.0	126.9 303.7

while support. Closing quotations were the day's lowest levels and the Gold

Fixed interest......

Gold Mines....

Ord. Div. Yield...

West Driefontein, £30 and GFSA. lower at 220p. £221 ex-dividend.

board reflecting the heavy losses Poseidon 6 to 214p and Emperorin Golds. London stocks were 10 to 100p.

reflecting persistent light selling featured by Gold Fields which and the absence of any worth-dipped 22 to 432p ahead of the interim results due tomorrow.

The decline in the bullier price and labour unrest at Mount Mines index responded with a Isa and Broken Hill Jeft.
27.6 fall to 309.9.

In the heavyweights "Amgold" dropped £33 to £363, while losses ranging from £11 to around £2 cheaper at 1949 while the industrial dispute at Broken Hill prompted selling of CRA, 6. In a weak Golds sector Financials fell across the Kitchener dropped 25 to 140p,

UNIT TRUST SERVICE

P.O. Box 525, Defft, Holland Esmeralda (bs. Price) JOPL65.95

Jardine Fleming & Co. Ltd.

NAV February 20. London Agents: Robt. Fleeting & Co. Tel: 01-638-5858

5207.43 208.32

Inv. Adv.: M. & G. inv. Ningt., Ltd., Landon.

Phoenix International
P0 Bot 77, St. Peter Port, Goern.
Inter-Oofter Fund. III 1852-99 3,235
For East Fund III 1852-99 3,235
For East Fund III 1852-99 3,235
For East Fund III 1852-99 1,235
For Exempt Git Fol 1,24 00 1,25
Providence Capital Life Ass. (C.l.)
P0 Box 121, St. Peter Port, Gernstey (4817 26)
Sterling Boad Fd. III 1853-97 1,000
Intel Bond Fd. III 1853

Lazard Brothers & Co. (Jersey) Ltd.

OFFSHORE

Keyser Ulimann Ltd. 25, Milk Street, EC2V BJE 01-606 7070 Central Assets. [E187.36 197.40]+0.18] —

F & C Migant. Ltd. lav. Advisers
1-2, Laurence Pountagy Hill, EC4. 01-623 4680
Cententary Fd. USS310.60 |-0.111 | 1.32
F. & C. Oriental Fd. USS22.21 | 40.77 | -Procs. Feb. 25. Weetly rectings.

+003 16.31

3.30

derson Admin. (Guernsey) Ltd.

Gloucester, 11. Pedier, Hong Kong Fund* Feb. 25. USDI, 22. 24.57 1 Ceb. Feb. 25. USDI, 27. 10. 72 Slong. Feb. 24. USDI, 28. 20. 14 C Fund* Feb. 24. USDI, 28. 20. 14 Fd. Feb. 25. USDI, 29. 18. 446 Fd. Feb. 25. USDI, 29. 18. 446 Fd. Feb. 25. USDI, 29. 18. 446 Hill-Samuel & Co. (Guernsey) Ltd.



المكنامن للعمل

Surinvest (Jersey) Ltd. (x)
Quees Hse., Don Rd., St. Heller, Joy, 0534, 27349
American lad Tst. 65.36
Cooper Tract. 61.175
Jap. Index Tst. 66.54

American lad Tst. 66.54 Tokyo Pacific Holdings N.V. Intimis Management Co. N.V., Curacao. NAV per share February 23. USS92.71. Ner seas (nits)
(Account Units)
(Account Units)
(TUSF L Feb. 26 510 60
(Account shares) (TIR 20
American Feb. 26 120,4
American Feb. 26 120,0 0534 1731/3 24 254 150 852 1180

North America FG USSIAI 4.5%
Raminoto Managers Ltd.
P.O. Bos 1549, Hamflon, Barranda.
Rda (209-22) 2-7979
Raminoto Feb. 2 159.14
Richmond Life Ass. Ltd.
4 Hir Street, Doglas, 1.0, M.
(a)The Street, Doglas, 1.0, M.
(a)The Street, 100, 118.9
(a)The Street, 100, 118.9
(b) Limond Bd. 118.9
(b) Limond Bd. 118.9
(c) Limond Bd. 118.9
(c) Limond Bd. 127.34
(d) 136.15
(d) 136.15
(d) 137.6
(d) 17.6
(d) 17.

WOLSELEY		FT	SHARE	INFOR	MATION	SERVICI	- E	FOOD,	inck Prize - No. Curls
Central to Britain's heating.	1980-21 High Low Stock	LOANS	Yeard 1960-61 Stock	HIRE PURCHASE	1980-81. + es 56	in. YM 1980-21 Stack to Carl Stack to	CALS—Continued	200 73 Clifford *106 60 Do. "/ 212 132 Cullens 206 132 Do. "/ 125 86 Danish	7 Schrpt. 78 1 1285 23 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Farm and Garden Machinery. Engineering Plastics. BRITISH FUNDS	64½ 56½ Agric. Mi. 5p 84 73½ Alcan 10½c 30 25 Met. Wtr. 3p 1042 89 U.S.M.C. 9pc 95½ 85½ Do. without	Financial	360 260 IBk Ireland E	240 +8 1024c 3.6 5.1 5.4 270 -77.0 -9.0	High Law Short Price No.	4 21 3.0 (13) 250 1160 Warm N. 1 3 2111.0(51) 87 52 Werl & G 4 1.6 5.116.2 136. 55 HWhithe S 6% 2.1 6.3 7.5 34 152 Welloo Hk 10 0 0 0.0 0 27 104 Whitworth 5 2.9 4.616.7 250 130 Wignal (H	His. 373 -2 5.0 3.8 1924.2 1825 160 - 100878 3.8 5.2 5.6 184 37 - 5.4 2.5 8.9(5.2) 129 108 - 63.5 0 4.7 5 1.5 5 22 - 10 2.8 6.6 7.3 1.5 5 3 - 131 1.8 3.5 3.7 104 238 +8 18.75 4.2 2.213.2 107 45 133 0.7 1,000	80 64 F.M.C. 1712 8 Fisher (85 66 Fitch Le 62 42 Glass Gi 9157 61 Hazlew	[A] 50. 14 +b 0.31 3.7 3.7 3.7 3.7 3.7 3.7 3.7 3.7 3.7 3.7
46Shorte 17 / I was up to Fine Verma	1011 ₂ 932 FF1 14oc 83, 911 ₂ 771 ₂ FF1(likFa)5-sc 822 711 ₂ Do. 6-specto 95 892 Do. Dispecto 96 82 Do. 111 ₂ Co. 11	1014 113 113 113 113 113 113 113 113 113 1	12. 13.43 25 25 25 25 25 25 25 2	0.1 5	55 18 Grit Benzal 10p 21 221 41 21 Brit Tar Prd 10p 26 -1 k21 82 44 Cuttalin 49 3.81 5101 591 Confe yr 7-5-Lic 5101 07- 588 580 Dary 5-6-Lic 5101 07- 586-1 10p 10p 10p 10p 10p 10p 10p 10p 10p 10	1 3011 33 5 3211 40 5 3211 40 5 49 65 EN	GINEERING HINE TOOLS	183 86 Kwiik Sa 46 34 Learnins *166 125 Limfood 72 20 Luckwa 80 62 Luvell (C	see 10p. 123 +3 45 24 3. Gp. 10p. 44 1223 25 7. Hidgs. 136 118 1. ods 92 01 05
983 914 Erch, 84gr 1981 983 834 1259 984 874 974	662 5112 Da. 74 polle 762 642 Da. 90 A T 712 61 Da. 84 pola FOREIGN	BONDS & RA	28 1410	1. 370	62 46 Dn. A NV 46 431 ZD ₂ 15 Coxy (Norze) 50 15 13 54 32 Croda Int. Delti. 19 36 14 Dborr-Strand 5p. 16 46 27 Haistand (1) 109 164 108 EBE & Enerard. 124 65 17 Crods Int. Delti. 19 304 112 Froms £1 124 126 180 132 Hissan (1) 10p 40 24 100 EBP 2 Dafa Nyiba 1s. 593 402 250 Imp. Chent. £1 250ml 55 17.0	85 44 43 65 27 12 Al had Pri 31 88 47 26 163 A.P.V. 50 32 93 45 226 163 A.P.V. 50 32 93 45 226 163 A.P.V. 50 32 93 45 37 38 38 Acrow 50 25 Da. 'A' 50 25 Da. 'A' 50 25 Da. 'A' 51 47 5135 111 46 Alzar Alumi 50 163 47 517 95 48 Alzar Alumi 50 163 47 517 95 163 47 95 163 47 95 163 47 95 163 47 95 163 47 95 163 47 95 163 4	ds 18 +1 0.01	135 Marris of 59 32 Meedlers 255 133 Michals (1 54 254 Marther 188 101 Mardin P 24 19 Patterson 42 19 Patterson	(W.) 10p 195 +3 22 63 1 Vento) - 182
981 914 Exch. 92x 1981 983 834 1259 994 924 Exch. 92x 1981 995 352 Exch. 92x 1981 995 312 1233 1002 995 312 1233 1002 995 312 1233 1002 995 312 1233 1002 995 312 1233 1002 995 312 1233 1002 995 312 1233 1002 995 312 1233 1002 995 312 1233 1002 995 312 1233 1002 995 312 1233 1002 995 312 1233 1002 995 1002 995 1002 995 1002 10	High Law Stack	Price + sr Div. % Gress 52 -	324 192 Gerrard Natni 63.19 265 155 Gillett Bros. 6 - 34 21J ₂ Goode D't Mry. - 180 116 Grindlays	1 250 +12 17.71 - 10.7 - 5.0 -	144 108	9 10.3 \$ 40 30 (Allen W.C.) 13 7 87 17 95 48 Annal Piw 23 7.1 2.8 108 529 Ands. Std. 97 21 9.0 53: 197 165 Ass. & Lacy 97 21 9.0 53: 197 165 Ass. & Lacy 98 10.2 9.7 (0.1) 10.2 9.7 (0.1) 10.2 9.7 (0.1) 10.3 \$ 40 30 48		**S082 30 Pyle Hid 5112 41 R.H.M 578 140 Robertson 578 140 Robertson 16 £112 Safeway 93 140 Sainstour 27 132 Single 10 75 78 Somforts	n Foods 162 +4 46.33 23 1. 10.50p 162 +4 7.25 2.7 6. Stores 1332 - 052.60 - 2 10. 25 +7 15.13 3.3 2. 10. 27 +2 1.0 3.4 5.
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Five to Fifteen Years	235 IIS Japan 4cc 10. 79 56 Do. 6cc 183-8 165 J55 Peru Ass. 200. 1994 ST7 Turkn 9cc 193-9 196 96 Uruguay 3-2cc		Title Titl	252 44 165 - 35 - 35 - 35 - 35 - 35 - 35 - 35 -	DRAPERY AND ST	5 31 2.0222 30 11 Beven (D.F. 5 + 13.9 4 4 4 5 18.2 Birnsh Quel 4 4 4 6 3.416 4 20 171 Buselon M. 6 17.5 Birnsh Mail 5 17.9 11.4 4 9 34 Backer M. 6 17.5 Birnsh Mail 17.6 Birnsh	100 13 -5 106 08 1262	HOTELS 0 51½ Brest Wal 8½ 20½ Constant is 0 185 De Vere 1 15½ Enlare 5	S AND CATERERS 100 24 +12 105 54 37 100 24 +12 105 54 37 100 22 10 10 40 100 100 11 10 40 100 100 11 10 40 100 100 11 10 40 100 100 100 100 100 100 100 100 100 1
68 581 Treserve See 194.00 441 1 7 71 11 54	1990-81 Stuck Stuc	21 -4 \$5.00 275-1 5% 275-1 5% 275-1 5% 275-1 5% 275-1 5% 275-1 5% 275-1 5% 275-1 5%	YM 250 250 350	7. 99 -1 4.9 5.3 7.8 33 -1 260 16.5 3.4 - 1260 16.0 8.8 - 182 +2 18.0 6.3 - 182 +2 18.0 6.3 - 520 +5 25.0 6.3 - 520 +5 25.0 6.3 - 57 +1 4 8.4	40 15 Affebore 10p 26 40 10 39 22 Amber Day 200 28 +11 2.86 38 24 Acustronium 5p 34 +1 2.05 21 611 Baller's Strs. 10p 120 121 25 1312 Bentile (J) 'A' 152 5.41 36 23 Bentile (J) 'A' 152 5.41 36 25 Bentalis 10p 29 135 36 16 5 8 8 8 8 8 4 5 8 8 8 8 8 5 8 8 8 8 8 5 8 8 8 8 8 5 8 8 8 8 5 8 8 8 8 5 8 8 8 8 5 8 8 8 8 5 8 8 8 5 8 8 8 5 8 8 8 5 8 8 8 5 8 8 8 5 8 8 5 8 8 5 8 8 6 8 8 7 8 8 8 8 8 9 9 1 1 1 1 1 1 1 1 1	ORES 47 25 iBrasway 10 25 iBrasway 10 26 27 25 21 25 25 25 25 25 25 25 25 25 25 25 25 25	1772 -3 5.25 3.4 7.0 4.7 10 200 157 -3 5.25 3.4 7.0 4.7 10 100 14	70 5112 Brest Wall 802 2012 Constort in 0 185 De Yere 18 1512 Epicare 18 130 Grand Me 18 63 Hikansty 19 122 Ladbroke 19 122 Ladbroke 19 123 Hord (M. Charlet 19 124 Hord (M. Charlet 19 125 Hord (M. Charlet 19 126 Hord (M. Charlet 19 127 Hord (M. Charlet 19 128	100 100
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109a 55 Exch. 12-pc 1994 1011 14-1 13.91 14.97 15.81 13.95 11.95	374 194 Barrougis Corp. 254 184 CBS \$2.50 315 242 C.P.C. 52 272 194 Caterpillar II. 213 159 Chesebrough \$1 4850 1780 Chesebrough \$1 4850 1780 Chesebrough \$1 105 7380 Chickorp \$4 105 7380 Chickorp \$5(4)	254mi + 1 52.80 285 + 1 53.40 292 + 1 52.40	- 4.8 63 32 (Led Scot Fin.10 22) 124 Moorgue Merc. III 151 91 Prov. Financial 2 Strig. Credit 1c 63 16 63 16 63 18 Wagon Finance 6.0 18 Credit 1c 63 16 64 18 Credit 1c 64 18	24 +12 30.9 18 5.4 (D1) 138 - 16.45 22 6.7 8.8 18 +14 0.39 - 5.6 - 27.4 52d +12 231 \$\phi\$ 6.4 \$\phi\$	28	15172.516.77 69 40 Chamberlin &	10. 46	INDUS 22 AAA Inds. 1116 AAA I. 116 AGA AB K	
Over Fifteen Years 1183 974	19% 10 Da. Cm. Prf. B.s. [73p 519p Cologate P. St. 23e 10% Cost Inst. \$1	723p +17 \$112 224 +3 \$290 27 +1 \$220 0. 16 +4 \$180 23 +3 \$230 0.4 793p +15 —	52 BEERS, WIN 5,9 89 62 Allied Brews 5,0 43 188 Bessi 5,0 43 188 Bessi 4,4 43 24 Belianes Brewey 197 152 Bell Arthur 50p 5,0 111 68 Beskirotes 5,1 111 68 Beskirotes	ES AND SPIRITS 6712 -1 450 1910.6(5.9) 50	130 90 (Dinnis Piecto 10p) 150 +3 13.32 23 13½ Eilis & Gold 15p 1802 24 25 25 27 27 24 24 24 25 25 27 27 24 25 25 25 25 25 25 25	2 18 32 91 252 16 Cooper (F) J. 19 4.9 17 92 Cooper ink. 1 27; 5118.7 45 21 Cronite Group 18, 12, 12, 12, 13, 14, 15, 15, 15, 15, 16, 16, 16, 16, 16, 16, 16, 16, 16, 16	10. 12	44 (Agrasan Bet 29 [Abbay Ltd. 25 46 Aero & Ges 3 15 Aero Nesd 37 Alpine Hidig 26 Amber Inds 33 Aressos (A	Nes 2222 - 12 6016 23 3 5.50 75 + 4 5.55 1.9100 16(11) 255 14.0 111 83 100 27 25 33132 pater 137 805 105 05
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Le 48 | 42 | 42 | 45.75 | 45.61 | 46.61 | 47.61 | 48.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | 49.61 | GAS OIL Anvil Pet 20p ... 253 11 Aran Energy 1. 375 Bask Rs. Int. S.A. 425 11 Berkeley Expls. 273 NOMURA EUROPE N.V. LONDON OFFICE: MINES—Continued Australian Argary Gold ML 25c
Boot Corp.
Boosphirmile I Kiss.
GRA-50c
Carnada Northwest.
Carr Boyd 20c
Canada Northwest.
Carr Boyd No.
LEISURE Prop. & Rev. — Prop. Sec. Inv 50p Ragian Prop 1p Regional Prop 1p Regional Prop . Do. 'A' — Rosehaugh 10p, Rosehaugh 10p, Rosehaugh 10p, Rosenad City 10p, Seenad City 10p, Seen 306 450a 450 521 70 38 27 76 MOTORS, AIRCRAFT TRADES M1.75 2.4 3.3 17.9 SHIPPING 25 | 10 570 | 255 77 | 242 230 | 135 129 | 135 129 | 138 120 | 319 145 | 50 120 | 125 120 | 125 120 | 230 121 | 240 121 | 240 123 | 240 124 | 250 125 | 250 126 | 250 127 | 260 128 | 250 129 | 250 129 | 250 129 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 | 250 120 Commercial Vehicles Hurtling Gibson.
Jacobs (J. 1.) 20p
Lun, D'Sess Fros.
Lyle Shipping
Mersey Dk. Units.
Millford Docks £1.
Ocean Transport.
P. & O. Defd. £1.
Reardon San. 50p
Db. 'A' 50p.
Runciman (W.).
San Intelligen (Ja-**OVERSEAS TRADERS** SHOES AND LEATHER Footwear Invs.
Garsar Scathlair,
Garsar Scathlair,
Headaw, Sans Sp.
K Shoes.
Lambert Hth. 20p
Heusbold & Bart n.
Pittard Grp.
Scott (David) 10p
Strong & Fisher
Stylo Shoes.
Ward White ... Copper Messina RO.50 235 39.0 1.615.1(0.11) 23.61 1.510.97.40 20.0 1.11 6.8 (2.64) 12.25 1.11 6.8 (8.64) 10.5 5.77 3.2 7.9 10.3 2.6 33.31.5 48.0 3.1 8.2 5.1 4.77 3.2 13.4 2.9 0.074.203.8 1.5 — 0.074.203.8 1.7 — Miscellaneous Garages and Distributors 10 120 07 33 12 63 12 58 10 57 11 48 17.8 · Anglo Am. In. RL. 900 Anglo Am. In. RL. 900 Ender Fish. P. 25ct Gold Fish. P. 25ct Greena Mrs. 50c Greena Mrs. 50c 640 Rez Treton 1750 170 Anglo Am. 25ct Greena Mrs. 20c. 156 Tiger Oats RL. 660 Inlease 27c. 1763 70185c -18 058c -5 010c 1050c 1030c 1035c -3 10155c -3 10155c -7 44020c AND SISALS 13.75 2 2.35 - 1.05 - 7.0 2.3 - 1.65 - 12.55 Anglo-Indones'n ...
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Bertam Cons. 10p.
Gastlefield 10p...
Coss. Planis MS0.5
Grand Central 10p...
Gutthrie Cl...
Harrison My. Es. 10p...
Harrison My. Es. 10p...
Hy. Link MS0...
Knalz Kepong M\$1...
17Kulim M50c...
Luds. Sunsatra 10p...
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Atlien Bros. ... 40
Seales (L.) 20p. 42
Beckman A. 10p. 64
Blackwood Mort. 16
Brid. S. Fah. 10p. 24
Brit. Enicaton. 5
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Beher L'uh. 20p. 43
Catel (Durche) 43 Se gleignen stellen er gelte er men gelte filmen er gelte er gelte gleige filmen er gelte er gelte gleige filmen er gelte gleige gleig 284 - 1 | 37.34 | 318 | 319 | 32 | 32 | 39 | Tenance, Land, etc. | 131 | 319 | 32 | 33 | 32 | 33 | 32 | 33 | 32 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 Finance, Land, etc. **OPTIONS** '3-month Call Rates Industrials
A. Brew...
BOC lett...
S.S.R...
Babrook
Barchays Bank,
Beecham
Bise Circle
Boots
Bousters
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FINANCIAL TIMES

Tuesday March 3 1981



Thatcher to pursue rapid task force plan

THE Prime Minister hopes to persuade European Community Governments to support the proposal she discussed with President Ronald Reagan for an international rapid deploy-

ment force to operate in world

trouble-spots.
Mrs. Thatcher came under particularly intense questioning in the Commons over the proposed force when she reported yesterday on her Washington talks with U.S. leaders. She gave firm backing to the idea although she stressed it was still subject to detailed

consultations. Her opportunity to persuade EEC leaders to join the force, which could operate at short notice in the Gulf or other areas of key importance to the West, will come later this month at the next Community summit at Maastricht, Holland. After her Commons statment

the Prime Minister stressed that a number of leading U.S. industrialists expected an upturn in world trade in the second half of this year "as we hope and believe there will be." But the controversial sugges-

tion of a rapid deployment force dominated the questions, following reports of concerned reaction from some Gulf states. Mrs. Thatcher sought to defuse the controvery by arguing that there was nothing new in the idea and that details remained to be negotiated. What she had done was to give broad support to the plan.

There was no indication, however, of what aid Britain might provide, the potential cost, or whether this would mean cutting defence expediture in another area.

In her statement Mrs. Thatcher said she and President Reagan had discussed "the posible creation of a rapid deployment force which would be available for use, if necessary, in emergency in the Gulf or other areas of the world this matter will be the subject of consultation.

She had made it clear that should a force be created, the UK would be ready to contribute to it in the same way as British, U.S. and French naval units were stationed in the Gulf following the outbreak of the

Iran-Iraq war.
She stressed that it was not a new concept and added: "If we had a rapid deployment to requests when trouble arises the world over. If we have not we cannot, and by that time it would be too late to create one.'

Mr. Michael Foot, Opposition leader, protested that the Prime Minister should have discovered what the likely reaction in the Gulf would be to her support for such a force.

Some of the greatest dangers to the U.S. would be to intervene at the wrong time, in the wrong place, and on the wrong side," he said. That was the sson of Vietnam which Mrs. Thatcher appeared not to have

Golf force proposal attacked: Page 4; Thatcher pressed on deployment force talks with U.S.: Page 8; Editorial Comment: Page 20

Continued from Page 1

"If ICI had applied the same kind of pressure to its plastics material marketing as it has against white-collar unionisation, its customers would not now be complaining."

Mr. Lyons criticised ICI bit-

terly for its failure to consult trade unions over the merger. The chairman of the new ICI Petrochemicals and Plastics Division, expected to have annual sales of some £1.5bn, will be Mr. Tom Hutchison, now

chairman of plastics division. Dr. Rab Telfer, 52, chairman of petrochemicals division, will have a job "relating to ICI's of dealers on the designated list energy and feedstock policies" or seeking entry to it inclusion at the group's headquarters on

First water workers' vote rejects 12.3%

workers in the water industry to vote on a 12.3 per cent pay offer rejected it-against the advice of their unions' officials. At the same time, a meeting

last night of shop stewards representing 3,000 workers in the London region were expected to call for a rejection of the offer at a delegate conierence next week.

The first delegate conference of the largest union in the industry, the General and Municipal Workers Union, in the North East, voted to reject the offer. However, the meeting, representing around 2,000 workers, also voted to call off the unofficial action by 200 workers in the Newcastle area. Some 200 homes in Newcastle

THE FIRST groups of manual and 1,800 school children had to York was called off. be sent home because burst water mains were not repaired.

A meeting of delegates in West Wales also voted to reject delegates for the Wales region would accept the offer next expected to draw up plans for week.

In the North-West, groups of workers in the Oldham and Preston areas, numbering around 200 in all, continued with unofficial stoppages. Mr. Michael Gately, the GMWU regional officer, said that he believed a small majority of delegates might reject the offer

at a meeting next week. In Yorkshire unofficial action were without water yesterday by a small group of workers in 14.

National officials of the water National Water Council's third offer last week, had been con the offer and continue with an fident of its acceptance. The overtime ban and a work to offer increases the Council's rule. But Mr. Fred Taylor, the GMWU regional officer for worth around 12.7 per cent to Wales, said that he believed most of the manual workers. The London stewards were

> workers were being restrained from taking immediate action. Voting on the offer from the rest of the country will be known over the next ten days. The final response from the unions will be known on March

a work to rule. Mr. Robert

Hudson, the chairman of the

shop stewards' committee, said yesterday that some of the

Neepsend to close mills after heavy interim loss

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

producer, is to withdraw from some steelmaking activities after heavy losses in the first half of its current financial

Mr. Stanley Speight, Neepsend's chairman who announced the plan yesterday, has told the unions that the group will close its rolling mills and withdraw from steel stockholding. It is expected that the closure will involve about 50 redundancies on top of the 500 or so jobs lost in the group over the last year.

The move has been precipitated by the recession and the consequent fall in orders, reflected in yesterday's interim statement. Turnover in the six months to September 30, 1980 was £11.669m. compared with £17.405m in the same period the previous year. The pre-tax profit of £810,000 in the earlier period has turned into a loss of £1.655m half-way through the current year.

The decision by Sheffield-

activities is further confirmasteel companies. It follows the recent decision by Johnson and Firth Brown to close its Atlas rolling mill and the announcement of Duport's plan to

tion and end steelmaking at

Mr. Speight said yesterday Neepsend had already rationalised and modernised its steel business "in the belief that more efficient plant would enable us to win more orders against fair competition and that our steel business would produce adequate profits."

He accused the Government of failing to deal with unfair competition while increasing aid to the public sector. The heavily subsidised BSC was entering into traditional markets of the private sector at uneconomical prices." Steel companies in the UK

NEEPSEND, the special steels based Neepsend to contract its were paying as much as 50 per tion of the cost and price than European and other over-pressures on private sector seas competitors and were charged much higher interest rates, Mr. Speight said.

Neepsend is a relatively small special steels producer with a range of activities in transfer its processing interests carbon and alloy tool steels, to the British Steel Corpora-engineering and stainless steels as well as forgings. The group intends to concentrate on it said yesterday its more profitable areas, had already identified yesterday by Mr. Speight as ferro-alloys, do-it-yourself products and other

tooling, and its new foundry.

The Sheffield special steels industry—including BSC's interests-has shrunk significantly in the last five years' reorganisation as imports from EEC and other countries have soared. • The committee set up to monitor BSC's performance under Mr. Ian MacGregor, its chairman, is to be headed by tive of the Laird Group.

Results, Page 22

Exchange divided on rules for international securities dealers

BY CHRISTINE MOIR

A DELICATE game of brinkmanship is being played in the Stock Exchange over the list of "designated dealers" with whom jobbers may deal direct on international securities.

At issue is whether category C designated dealers—the London offices of foreign dealing houses—will be required to sign a declaration that they conform to the strict require-ments of the Exchange's new rules for international dealings. One faction within the Stock Exchange Council wants the

rules to be given teeth and be-lieves that the only way is to get signatures to the rules from either the dealers or the jobbers who designate them. This has horrified the lead-

ing practitioners in the market who point out that the designated dealers, by definition beyond the control of the Stock Exchange, would simply refuse to sign a declaration subjecting themselves to the Exchange. Nor, they argue, is it fair to ask the sponsoring jobber to swear that their customers

comply with the rules. The pragmatists appear to have won the day. It is only a year since the rules were introduced and the question of signatures was thoroughly aired at that time and rejected.

Supporters of the proposed declarations argue, however, that if there is to be no formal way of determining the merits and exclusion will be on subjective grounds and hearsay.

The outcome will be known as brokers and not as risk-taking by the end of the month, when market makers. the names on the list of desigfirst annual review.

Behind the brinkmanship is a genuine fear by some brokers dealings in foreign securities. that certain foreign dealing Jobbers are only permitted to houses, particularly Australian deal direct with them, bypassing benefits of close links with UK dealers are acting as regular jobbers although they act only market makers and principals.

The category C foreign nated dealers come up for their dealers were created under the complex rules introduced last year by the Stock Exchange for

are obtaining all the UK brokers, if the category C

Gilts team at Hedderwick seeks new broking firm

BY CHRISTINE MOIR

The gilts dealing team at said: "Following the Webster Hedderwick Stirling Grumbar, affair we were asked by the which is specifically excluded from the firm's takeover by Ouilter Hilton Goodison, is making plans to move elsewhere. The 12-strong team is clearly

upset by its exclusion from the merger after the efforts made in the past year to restructure the department following two separate investigations by the Stock Exchange, and a study by the Fraud Sauad.

The first investigation, which resulted in Mr. Terry Webster, the head of the gilts department at Hedderwick, being expelled from the Stock Exchange, sharply reduced the firm's level

Last year's TUC Congress and Labour Party Conference provided a mandate for dis-cussing a "positive" incomes

policy. But until now the subject has been left to one side.

senior partner to maintain a presence in the glits market and expand it. In the 12 months since we have been fully profitplus 10 per cent."

Mr. Wilson added that it became apparent that the Hedderwick name was "something of a draw-back and it would be more comfortable to deal under a different umbreika." Quitter was not a suitable alternative, he said, as its gitts business was relatively small. The team had held two meetings with at least one other broking firm. Meanwhile Quilter confirmed

that the takeover will take effect from April 10 and will swell Quitter's private client

Yesterday a spokesman for business by more than £300m to the team, Mr. Simon Wilson, over £750m.

run for second term

Giscard to

PRESIDENT GISCARD d'ESTAING of France officially announced last night that he was running for a second seven-year term. The Presidential election will be held in two rounds on April 26 and May 10. He immediately launched

Left-wing opponents,

M. Giseard d'Estaing's
declaration of his candidacy,
from the Winter Garden of the Elysée Palace, was broadcast by French radio and telesion just before the main bulletin at 8 p.m. local

into an attack on his main

at the President's side. M. Giscard d'Estaing, who recently lost ground rapidly in public opinion polls to his main rival, M. Francois Mitterand, the Socialist leader, did not confine himself

to a formal declaration.

After a somewhat sentimental introduction in which he said he was giving back to the French people the power it bestowed on him at the election in May 1974, M. Giscard said that the Opposition remained true to itself, with "the same leaders relentlessly fighting the institutions of the French Renublic" ever since 1958. The Opposition would be

obliged either to govern with Communists, or betray the Communist voters after benefiting from their support.
This was an obvious reference to M. Mitterand's refusal to commit himself on Communist Party participation in the Government if he

As a solution to the present economic crisis, Opposition candidates were proposing bureaucratic formulas and State control which had failed everywhere they had been applied." M. Giscard said.

All the efforts in recent years to restore and reorganise the country's economy would be dissipated within a few months.

"Farewell the stability of the franc and free enterprise, farewell nuclear independ-ence and France's status in the world. We have seen it happen elsewhere, we could see it happen here."

M. Giscard said that he

power to prevent this. The only choice which counted was that concerning the

future of France. All the main contestants, including M. Mitterrand; M. Jacques Chirac, leader of the Gaullist RPR party; M. Georges Marchais, general secretary of the Communist Party: and M. Michel Debré, the orthodox Gaullist former Premier, have declared their

Weather

Rain, easing to showers. Bright intervals. London, S., E. and central N.

Rain at first, sleet or snow on

W. England, Wales, S. Scotland,

Mainly dry. Strong winds Max. 7C (45F).

Wintry showers. Max. 40

Snow showers. Max. 4C (39F).

Outlook: Cold with showers and

WORLDWIDE

hills. Max. 6C (43F).

V.E. England, Borders

Rest of Scotland

frost

eandidacy.

THE LEX COLUMN

Strong home base shelters Royal

Royal Insurance's preliminary results statement confirms what shareholders generally concluded at the time of the December rights issue—that it is going to be a considerable time before they can detect any significant return on the new capital. Pre-tax profits for 1980 are £9m lower at 5122.5m, against the forecast of around £120m, with the final quarter showing a drop of 24 per cent. As with Com-mercial Union last week, the underwriting results—with a loss increased from £16.5m to £40.4m—have been deteriorating faster than investment income up from £133m to £146.7m—has been improving

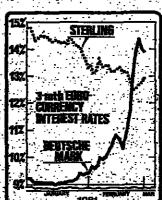
In terms of individual territories, underwriting has varied from the horrific, in Ganada and Australia, to the lush, in the UK, where significant profits were earned. In between is the U.S. where although the underwriting loss doubled to f16.1m, the result is really not all bad, given the much higher level of dollar interest rates. The problem is that the U.S. picture continues to worsen while although there are signs of an upward shift in premium rates in Canada, where Royal's underwriting loss was £24.1m for 1980, this is relevant for 1982 rather than the current year. Overall, 1981 is bound to

be difficult. It may be, of course, that testing conditions will make it easier for Royal to pursue its grand strategy — to poach market share from faint hearted and undercapitalised rivals. In sterling terms, Royal's 1980 premium income of £1.24bn was the same as in 1977, a stagnant picture it wants to change. But the boom in world equity markets has bolstered insurance company balance sheets, Royal's included while the jump in worldwide interest rates is encouraging companies to write for total return. All this could allow the capacity glut to perisist for a while yet. How-ever, Royal's share price has recovered well since the post-rights shareout, and at 388p the yield is still as good at 92 per

Currencies

Operators in the foreign expuil down its stock levels by hange markets are still prethe year end and has cut back change markets are still prein response to relatively small £12m. So, helped

Index fell 5.2 to 501.4



fell from 98.9 to 98.7 on its trade-weighted index. The payment of petroleum revenue tax would normally produce very tight money in London this week but the Bank of England's loss of well over fibn to the discount market for a week should remove much of the

Gilt-edged remain torpid especially at the long end. Confidence that inflation will contime to decline later this year is very fragile, and the combin-ation of a fall in sterling and the Chancellor's loose hold on public spending makes talks of a three-point cut in interest rates sound reckless.

Fisons.

The trading picture at Fisons has deteriorated sharply in the second half, when pre-tax profits of £9.8m have been turned into a loss of £1.5m. The outturn for the year is down from £17.3m to £3.8m. The main problem areas have been fertilisers and agro-chemicals, where volume has tumbled by up to 20 per cent in the second six months; as distri-butors have cut back their autumn forward buying. So the company has not experienced the normal mid-year drop in stocks and debt, and the interest charge is nearly coubled at

pared to switch funds around capital spending from £17m to movements in deposit rates. So injection from Boots of more to become more competitive a general firming of Eurodollar than £15m as a result of the rates yesterday depressed the agrochemical deal, net borrowcontinental currencies against ings have risen by only £2.6m the dollar, although conditions to £83.9m. Nevertheless, debt compensor, while its wage in the Frankfurt money market has risen from 561 per cent of costs are rapidly catching up remain very tight.

net tangible assets to 68 per cent with the competition. YesterThere are still plenty of bears and there is a further cash out day the shares last another 5p
of sterling, too, and the pound flow of about £8m in the current, to close at 250p, ex-dividend.

backs in the fertiliser division. The cut in the final dividend produces a total net payout of 10p, which looks a good deal less sustainable than ICI's 1980 need to be about £8m to provide cover on an historic costs basis. and the 1980 pre-tax loss of about £9m on the current cost convention gives a pointer to the extent of the revival needed before-the payout is covered after

repairing the ravages of infla-tion. Meanwhile, the fertiliser division remains in the shadov of KIT's cheaper ammonia feed-stock; and the patent protection in pharmaceuticals begins to run out in 1982, although it may be some years before the full effect is felt in terms of profits. The shares fumped 17p vesterday to 142p — it looks as if the market feels that the worse the figures the better the chance of a takeover bid.

ICI is not letting the grass grow under its feet. Only four days after cuiting its dividend the group has come up with a plan to merge its plastics business with the petrochemical division from which plastics buys 60 per cent of its raw materials. The operating links are already so close that it is probably only an historical accident that the two have continued to be run separately for

The public relations team at ICI is presenting the decision as a triumph, with much talk about a more efficient and powerful base, about enabling resources to be concentrated in an integrated way and the opti-mising of substantial strengths. This sort of positive thinking could have explained the dividend cut in terms of optimising financial resources.

The point probably lies nearer the bottom of the statement, which talks of "extensive consultation with employees and their representatives." sofar as the two divisions have duplicate administrative structures, there must be room for shedding white-collar staff.

This divisional menger looks like the beginning of an exer-cise in overhead reduction, the only afternative to the sort of shrinkage already experienced Even with a strong pound, the

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Labour incomes policy suggested

BY CHRISTIAN TYLER, LABOUR EDITOR

THE POLITICALLY sensitive question of an incomes policy for a future Labour Government nal discussion paper prepared by the party's research depart-

The paper had a cool initial reception from the party's Left wing home policy sub-committee but is expected to find its way on to the agenda of the party's regular meetings with trade union leaders. TUC officials, who also find

the issue embarrassing because of past connotations of wage

restraint are nevertheless instruments and says that price conscious that the wage com- control is only workable if there

ponent of inflation will have to is some recognition on the part setion of an incomes policy be tackled before long.

This was a signal omission been broached in an interdiscussion paper prepared scription for the economy published a month ago.

The paper is a theoretical

attempt to strip incomes policy of its wage restraint implica-tions. In this respect it is some-thing like the first social contract deal between the Labour Government and the TUC in 1974, although without explicit provisions about the level of real wages. It rejects deflation and monetary policy as economic

wages play in inflation. It says that the aim should be to establish a "broadly neutral" policy for incomes, one that does not seek to change the relative shares of net wages, taxes and profits in the economy. The paper springs from the political conviction that Labour must have a credible policy for incomes with which to fight the next general election.

not discuss—apart from a refrence to index-linking—how such an incomes policy might be monitored. But it clearly states that an economic bargain with the TUC would be necessary to establish the basic principles, and agreement would also be necessary for any variation forced upon a Labour Government by the pressure of external events. Perhaps the most startling feature of the document is its

The Labour party paper does

implicit recognition that pre-vious experiments controlling prices alone are doomed to failure since they cannot cope